FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,041 Wednesday April 6 1983 D 8523 B

W. German unions begin to show strain, Page 12

NEWS SUMMARY

GENERAL

Napalm dropped on Hanoi troops

Thai aircraft dropped napalm on Vietnamese troops entrenched in Thai territory along the border with Kampuchea, it was claimed yesterday.

It was the first reported use of the weapon in Indochina since the war in Vietnam ended in 1975. It was dropped on Monday by two fighter-bombers on about 150 Vietnamese dug in on the slopes of a hill just inside Thailand's frontier. Page 4

West Bank 'hysteria'

Israeli occupying forces arrested several Palestinians and said they had proof that the mystery illness which has swept the West Bank was politically-incited hysteria.

Nazi rampage

Neo-Nazis broke into the former concentration camp of Flossenbuerg, West Germany, and desecrated the memorial on an Easter rampage that caused DM 10,000 ($4,200) worth of damage.

Dissidents sentenced

Two Soviet dissidents accused of producing manuscripts critical of the Soviet system were sentenced to labour camp at a trial in Leningrad.

Tear gas tactic

Police used tear gas to break up a 2,000-strong demonstration against security law detentions in the northern Sri Lankan city of Jafna.

Gulf oil slick

A giant oil slick was reported to stretch almost the entire length of the Gulf. Ministers from eight countries in the region were due in Kuwait for crisis talks on its dispersal. Page 14.

Food stand-by

Portuguese troops stood by to transport food in defiance of the six-day-old national strike.

High wire escape

Two East German men escaped over the Berlin Wall by sliding oo a pulley along a self-assembled steel cable.

Spy sentence

An American woman living in Berne, Switzerland, has been given a 10-week suspended prison sentence for spying for Libya, but will not be expelled.

Murder charge

Suspected urban guerrilla Adelheid Schulz, arrested last November, was charged with the murder of two prominent West Germans.

Angola deaths

Unita, Angola's main rebel movement, claimed it had killed 198 soldiers in clashes throughout the country in the last few days and driven government troops out of the northern diamond mining area.

Paris shoot-out

A Paris jeweller shot dead one man and wounded two others as they attempted to rob the shop.

Briefly...

Kenya's ruling Kanu party launched its own newspaper with a pledge that it would not be a propaganda organ.

China claimed it had arrested the leader of Taiwan's spying operations in northern China.

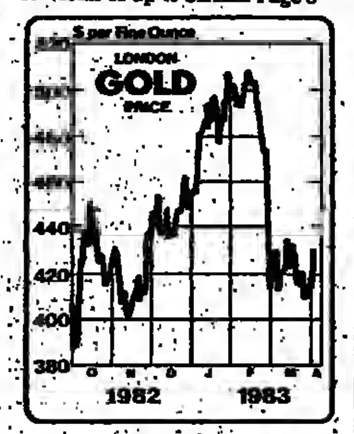
Appeal hearings for plotters of the 1981 attempted Spanish coup start in Madrid today. Page 3

BUSINESS

New plan on debt unveiled by Mexico

● THE MEXICAN GOVERNMENT will today unveil its long-awaited scheme to help the country's hard-pressed private sector reschedule $15bn of debts to international commercial banks and defer interest payments. Foreign banks, however, are not completely happy with the plan because they feel that it is a forced rescheduling.

● CHILE appeared yesterday to have reached a tentative agreement with its leading bank creditors on an eight-year rescheduling of debt maturing this year and next, and a new loan of up to $1.4bn. Page 8



● GOLD rose $15.5 in London to $430. In Frankfurt it rose $14.25 to $429¾ and in Zurich $13 to $427.5. Page 29

● LONDON: FT Industrial Ordinary index eased 1.1 to 654. Government Securities were slightly improved. Page 25. FT Share Information Service, Pages 30, 31

● WALL STREET: Dow Jones index closed down 7.45 at 1120.16. Page 25 — full share listings, Pages 26–28

● TOKYO: Nikkei Dow index lost 65.48 to close at 8420.34 and the Stock Exchange index was down 3.96 at 610.58. Report, Page 25. Leading prices, other markets, Page 28

● STERLING rose to its best level since late February. It closed up 1.9 cents at $1.5025 and was up at DM 3.64 (DM 3.6025), FFr 10.905 (FFr 10.785), Y357.5 (Y354.5) and unchanged at SwFr 3.0025. Its trade-weighted index was 80.3 (79.5). In New York sterling closed at $1.5085. Page 32

● DOLLAR closed down at DM 2.4205 (DM 2.4265), FFr 7.26 (FFr 7.27), SwFr 2.057 (SwFr 2.083) and Y237.7 (Y238.85). Its trade-weighted index was 122.4 (122.7). In New York the dollar closed at DM 2.4095; FFr 7.2250; SwFr 2.0485 and Y237.30. Page 32

● FRANCE is to attempt to win a *Chinese nuclear power station order*. Page 6

● JAPANESE Government's new economic package aims for a growth rate of 3.4 per cent a year. Page 4

● U.S. CONGRESS was asked by President Reagan to strengthen and renew the Export Administration Act. Page 14

● EUROPEAN Community's annual inflation rate rose from 9.1 per cent in January to 9.2 per cent in February, pushed up by higher consumer prices in Italy and Greece.

● DATA GENERAL, Massachusetts-based manufacturer of general computer systems, reported net earnings of $5m in the second quarter to March compared with $5.8m the previous year. Page 15

● WESTERN nations last year sold less to Eastern Europe than they bought for the first time for about 20 years, the United Nations said. Page 2

● BTR is seeking to buy up to 14.9 per cent of Thomas Tilling, which could lead to a bitter £510m ($765m) takeover battle between two of Britain's largest industrial holding companies. Lex, Page 14

Satellite's early mishap mars space shuttle flight

BY WILLIAM HALL IN CAPE CANAVERAL

THE WORLD's biggest, most expensive and most advanced communications satellite spun out of control for several hours yesterday after it was released from the space shuttle Challenger.

Though U.S. space agency officials later said that they had regained control of the $100m satellite, it was feared that the serious problems it had run into would impair its effectiveness. In particular, the launching of the European space laboratory scheduled for next September could now be delayed.

The difficulties arose after the Challenger space shuttle had climbed to its orbiting altitude of 150 nautical miles and launched the 2.5 tonne satellite. Shortly afterwards control of the satellite was lost temporarily and it is now badly out of position.

The U.S. space shuttle programme has already beeo plagued by delays and technical difficulties and badly needs to demonstrate that it can launch its space shuttles on schedule and operate effectively in space. Eventually the four space shuttles should be flying to and from space every couple of weeks.

The first tracking and data relay satellite (TDRS) launched by Challenger was intended to be one of the cornerstones of a vastly improved system of communications between space vehicles. It would have allowed – and might still allow – the U.S. National Aeronautics and Space Administratioo (Nasa) to close many of its ground tracking stations.

When fully operational, this veritable switchboard in the sky will be able to handle up to 40 separate spacecraft.

The European spacelab is particularly dependent on the satellite's transmission capability. Even before yesterday's problems there was considerable doubt whether Nasa would be able to get the second TDRS satellite in place and fully operational in time for next September's launch of the European spacelab.

Because of the need to make astronomical observations at a certain time of the year the European spacelab has to be launched by the U.S. shuttle Columbia before the end of next September. Otherwise it will almost certainly be delayed until next year. Such a delay would be embarrassing to Nasa which wants to prove its effectiveness to its European partners.

Nasa said yesterday that it lost control of the TDRS at 5 am Eastern Standard Time after its launch from Challenger and it was believed to be tumbling out of control

At 8 am Eastern Standard Time they regained control.

However, the satellite is swinging around the world in an orbit ranging from 19,000 nautical miles to 12,000 nautical miles at its closest. To work normally the satellite should be in a geosynchronous orbit 22,300 miles above the Equator.

Nasa officials are now working on ways of getting TDRS closer to its correct orbit. They are planning to use the 1,300 lbs of hydrozene on board to manoeuvre the craft towards its correct position.

Reagan's flexible defence budget, Page 8

Sterling continues to recover as interest rates ease in U.S.

BY OUR FINANCIAL STAFF

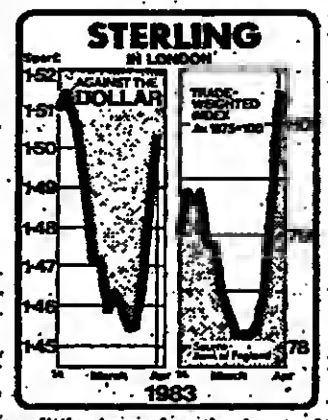
STERLING continued its recovery on foreign exchange markets yesterday rising nearly 2 cents above its weekend level to close in Londoo at $1.5025.

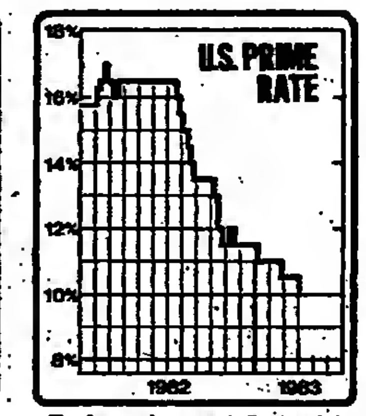
The pound was also stronger against other major currencies and its effective exchange rate (measured by the Bank of England against a trade-weighted basket of currencies) rose 0.8 to stand at 80.3 per cent of its 1975 value; a 2.8 per cent rise since the rally began last Wednesday.

In the U.S., meanwhile, interest rates showed signs of easing, after the technical shortage in the money markets caused by end-of-quarter corporate funding. Fed funds were quoted at about 9¼ per cent during the morning and one bank, the Wachovia Bank of North Carolina, cut its prime rate from 10½ to 10 per cent.

Sterling closed near to its high point for the day in New York at $1.5085, and the dollar also registered declines against most other major currencies in what was described as fairly brisk selling.

The dollar's weakness was linked to the view that the technical distortions which have pushed up short-term money rates in the U.S. in recent days could be about to work their way through the system. The closely-watched Federal funds rate was little changed on the day, trading at around 9¼ per cent in the late afternoon, but the discounted return on three month treasury bills slipped back a little to just under 8½ per cent.





The bond market had a quiet day, and the equity market ended with modest falls in relatively light trading after showing gains earlier in the session.

For this reason, the market was still reacting yesterday to news about Nigerian acceptance of the British National Oil Corporation's proposed tariff for UK crude oil – which was already the best part of a week old.

Traders who are influenced by charts were prodded into buying sterling early yesterday morning when the pound crossed through $1.4925, a "resistance point." There was a later spurt of similarly inspired buying when the price reached the "psychological" $1.50 barrier just before midday.

"Currency speculators are beginning to detach themselves from interest rates again," said one London dealer, "and they realise that the dollar position they have been running recently are not very profitable."

French currency defence, Page 3; market reports, Page 25; currencies and money markets, Page 32

Oil prices strengthen on spot market

By Richard Johns in London

OIL PRICES strengthened again on the spot market yesterday on the second day of trading since the British National Oil Corporation proposed a $30 per barrel reference price, backdated to March 1, for North Sea crude oil.

After the marginal increases recorded last Thursday hopes of the Organisation of Petroleum Exporting Countries' new price structure holding rose perceptibly over the weekend.

As expected, Statoil, the Norwegian state oil corporation, has proposed cuts of 50 to 75 cents, giving a $29.40-$30.50 range of prices, also back-dated to March 1.

Neither BNOC's suppliers nor customers were prepared to comment yesterday on the BNOC recommendation which would broadly align UK prices with those of Opec. Companies were still appraising the proposal but their reaction to a compromise clearly calculated to accommodate Nigeria's requirements was thought to be favourable. They have been asked to respond by the end of the week.

Yet there are fears that the alignment will not, in practice, result in an increase in Nigerian production to anything like the 1.3m barrels a day quota allowed to it under Opec's production sharing programme. According to industry over 800,000 b/d and may drop to only 700,000 b/d because of overall lack of demand for premium light crude oil.

Nigeria and its problems apart, industry analysts saw the planned reduction as being well calculated to satisfy the conflicting interests of customers and suppliers. "It appears that the new pricing formula could be ac-

Continued on Page 14

France expels more than 40 Soviet officials

BY DAVID MARSH IN PARIS

FRANCE yesterday expelled more than 40 Soviet diplomats, officials and journalists accused of gathering military and scientific secrets in the most severe crackdown for more than a decade against Soviet espionage in the West.

All the Soviet citizens concerned – thought to number 47 – together with their families were flown back to Moscow on a special Aeroflot flight yesterday afternoon.

The action, decided at the highest level by President François Mitterrand, brought to a climax a wide-ranging French counter-espionage operation which had been gathering pace for months but was kept rigorously secret until the Easter weekend.

The mass expulsion is the largest since Britain told 105 Russians to leave London in 1971. It follows a series of recent expulsions and arrests of Soviet officials accused of spying or other illegal activities in the UK, Spain, Italy and Switzerland.

The measure, decided by the only country in the West which includes Communist ministers in the government, confirms France's tough line on East-West relations, particularly on nuclear arms issues.

In spite of its sharp differences with Paris last year over President Reagan's embargo on components for the gas pipeline from Siberia, Washington is likely to welcome further evidence of France's oo-nonsense approach to Moscow.

Among those expelled were top officials from the Soviet embassy and two journalists working for the Soviet news agency Tass in Paris. The measures were widely expected last night to lead to some Soviet reprisal against French nationals in Moscow.

They are certain to result in a further deterioratioo in relations between Paris and Moscow. The expulsioo came just six weeks after a visit to Moscow by M Claude Cheyssoo, the Foreign Minister, had confirmed the already cool state of relations between the two countries.

In sharp contrast with the "special relationship" developed under President Valery Giscard d'Estaing, the French Socialists have strongly criticised Moscow over Afghanistan and Poland. President Mitterrand has irritated the Russians by his firm line on the stationing of intermediate range U.S. ouclear missiles in Europe. The response to expulsion of the French Communist Party – which follows a pro-Moscow line – was unclear last night.

On the economic front, relations have also been soured by the sharp increase in France symbolically interrupted purchases of Russian crude oil in protest against the imbalance.

In a short but toughly worded communiqué, the French Interior Ministry said counter-espionage operations, carried out "for some time" by the French secret service, had uncovered systematic efforts by Soviet spies to gather scientific and technical information, particularly in the military field.

The Ministry said the expulsions were justified by "the multiplicity and gravity of activities carried out for this foreign power by agents most often benefiting from diplomatic status."

Although the Government gave no details, the highest ranking Soviet official expelled was thought to be Mr Nicolas Tchetverikov, who was oumber three oo the Soviet embassy's staff in Paris after the ambassador and minister counsellor.

The Soviet embassy has 86 people on its formal diplomatic list.

Shultz to make new Mid-east peace bid

BY ROGER MATTHEWS IN LONDON

MR GEORGE SHULTZ, the U.S. Secretary of State, is expected to visit the Middle East later this month in a last-ditch effort to save President Ronald Reagan's peace proposals.

U.S. hopes have been jolted by the failure of King Hussein of Jordan and Mr Yassir Arafat, leader of the Palestine Liberation Organisation (PLO), to agree on a common approach to the Reagan plan.

Mr Shultz is likely to visit Saudi Arabia, Jordan, Egypt and Israel to stress to those governments the potentially serious consequences resulting from a rejection of the Reagan plan.

Although Israel was the first to oppose the Reagan proposals, Washington still believes that it could draw some flexibility from Mr Menahem Begin's Government if it could demonstrate a conditional Arab willingness to negotiate the future of the occupied West Bank and Gaza.

The U.S. remains convinced that King Hussein is prepared to negotiate on the basis of the Reagan plan. But Washington accepts that it must persuade Israel to withdraw from Lebanon and announce a freeze on building new Jewish settlements in the occupied territories.

However, the PLO is refusing to give King Hussein a mandate to negotiate on behalf of the Palestinians living under occupation. Mr Arafat left Amman for Kuwait yesterday after four inconclusive meetings with King Hussein.

Mr Arafat would only say that "King Hussein and I are agreed oo what is good for both sides."

The prospects for a more positive Arab response have been further reduced by the call from King Hassan of Morocco for a summit meeting in mid-April. The Moroccan monarch sent personal envoys to several Arab capitals yesterday to press the need for an early summit.

Some Arab officials voiced the suspicion yesterday that King Hassan was primarily motivated by the desire to secure approval for his tentative rapprochement with Algeria rather than with pushing forward with Middle East peace moves.

Arab radicals would probably use a summit meeting to insist that there is no deviation from the eight-point plan drawn up in Morocco last September. This plan demands an independent state for the Palestinians, whereas the Reagan proposals foresee Palestinian self-determination expressed in association with Jordan.

Israeli, Lebanese and U.S. negotiators concluded the latest round of negotiations on an Israeli withdrawal from Lebanon yesterday with no fresh indications of progress. The talks have been going on for 14 weeks.

U.S. officials have said privately that they believe Israel is deliberately spinning out the negotiations to strengthen the hand of Arab radicals opposed to the Reagan proposals for the West Bank and Gaza.

Plessey in talks with Burroughs

By Guy de Jonquieres in London

PLESSEY, one of Britain's leading telecommunications companies, is holding talks on a link-up with Burroughs, the large U.S. computer manufacturer.

The two companies are understood chiefly to be discussing proposals to exchange technology, though an agreement could also involve plans to supply each other with products. No financial link is expected.

A deal with Burroughs would form the third leg of the platform which Plessey has recently been building for expansion in the U.S. market for communications and electronic information systems.

Plessey has already bought the public telephone exchange business of Stromberg-Carlson, a major independent U.S. manufacturer. It has also agreed to buy a sizeable minority stake in Scientific-Atlanta, which makes satellite earth stations and cable television equipment.

To complete its strategy, Plessey needs more access to computer and data communications expertise. It has already talked to several U.S. computer manufacturers, but the discussions with Burroughs seem the most likely to produce results.

Burroughs, which had worldwide sales of $5.3bn last year, has undergone extensive restructuring during the past two years, under the chairmanship of Mr Michael Blumenthal, the former U.S. Treasury Secretary.

Plessey plays for high U.S. stakes, Page 21

CONTENTS

West's trade with East bloc in deficit

GENEVA —For the first time since the early 1960s, Western nations last year sold less to Eastern Europe than they bought. However, the West's trado with the Soivet Union flourished, with machinery and pipeline equipment being exchanged for oil and gas.

An annual survey published yesterday by the United Nations' Economic Commission for Europe (ECE) said these developments highlighted a profound adjustment under way in East-West economic relations.

The turnaround from a Western surplus of about \$2bn in trade with East Enropean countries in 1981 reflected policies in those countries to curb imports, it said.

While Western imports from Eastern Europe fell by 5 per cent, exports to the East declined by 21 per cent. These figures exclude the Soviet Union where there was an exceptionally dynamic two-way flow in trade with the West during a year in which the overall volume of world trade fell by 2 per cent, the report said.

Western exports to the Soviet Union last year increased by 7 per cent. Growth was particularly strong in machinery, transport equipment and commodities needed for pipeline projects, the ECE said. The West's imports from that country rose by 13 per cent, reflecting bigger purchases of oil and other mineral fuels.

The small deficit which the West had in 1981 in trade with tho Soviet Union widened last year to about \$1bn.

The ECE estimated that the Soviet Union and the rest of Eastern Europe bad an overall current account payments surplus of \$5bn with the whole convertible currency area, compared with \$6bn the year before.

It reckoned that the Soviet bloc's external debt in convertible currencies fell by some \$8bn to \$63bn at the end of 1982, reversing an upward trend which had lasted for a decade.

The report said the Soviet Union's 3.3 per cent economic growth target for this year seemed realistic and that similar targets for other East European countries were possible. Poland, however, would have to accelerate growth substantially if it were to reach the goals set in its five-year plan up to 1985.

Renter

Fiscal boost urged for European economies

GENEVA — Western European governments have been urged to stimulate their economies through fiscal measures in order to prevent the economic recovery from collapsing.

The annual survey of Western Europe and the U.S. published by the UN Economic Commission for Europe said falling oil prices could provide a decisive pusb towards recovery in Western Europe.

A 10 to 20 per cent drop this year would cut import prices in developed countries by a few percentage points and strengthen the U.S. economic upturn already under way, the report aaid, though it might improve industrial countries' output by no more than half a per cent.

"The costs of another aborted recovery and of continuing stagnation are potentially so high that governments sbouid use stimulatory fiscal policy to avoid such an outcome. At present, the inflationary risk of such a policy is small," it said.

Doubts about the durability of a recovery remained, because the outlook for investment in fixed assets like factories was unclear, it said. Snch investment was inhibited by high real interest rates and by large margins of unused capacity.

"Any recovery must be strong enough to take up a considerable proportion of this slack, and be accompanied by a fall in interest rates," the report said. "If this fails to occur, the upturn will again be cut short."

Despite growing indications of a U.S. upturn, it was not certain that Western Europe would follow suit. The situation resembled that of a year ago, with similar output levels and forecasts of only moderate recovery. Fixed asset investment in Europe was unlikely to increase this year, though its decline of the past two years should be halted, at least in the larger economies, the report said.

It urged governments to take care in choosing their fiscal measures, noting that mnch state spending in the recession had gone on protecting traditional industries, thereby bampering structural adjustment.

Some governments, in particular the U.S., had already eased their tight monetary policies, the survey said. There was now a better understanding how to adjust monetary policies so that an economic recovery could be accommodated withont inducing a new burst of inflation.

Only a slight relaxation in monetary policy and no rapid decline in real interest rates could be expected, bowever.

Reuter

Turkey plans sweeping reforms of banking

BY METIN MUNIR IN ISTANBUL

THE TURKISH Minister of Finance, Mr Adnan Baser Kafaoglu, has invited the country's principal banks to a meeting in Ankara today to discuss the amendments he proposes to make to the Banking Act.

"The minister is determined and he plans to act swiftly," said a senior government official.

The amendments have not been made public and may continue to remain secret even after today's meeting. Bot government officials have described them as sweeping in scope and radical in character.

Mr Kafaoglu proposes to change most of the 84 articles of the Banking Act legislated in 1958, said the official. One of the principal intentions is to break the bold of families on private banks and to limit loans to subsidiaries and affiliates.

Of Turkey's 45 banks, 23 are controlled by the government, six are foreign and 16 owned by families. This last category beld about 40 per cent of total deposits and made 22 per cent of tha loans at the end of 1981, according to the Bankers Association of Turkey.

The family owned banks are accused of making most of their loans to their own subsidiaries and affiliates in manufacturing and trade.

Other changes aim at strengthening the frail capital structure of the commercial banks, increasing government control over their activities, introducing a deposit insurance schema and setting new deposit and loan ratios, said the official.

The banking system in Turkey has been in difficulties since 1980 when the government freed interest rates. These problems were aggravated by a run on banks last June when the country's largest money-broker went bankrupt.

Last month, the Government was obliged to take over two small privately-owned banks which would have collapsed otherwise. There is general agreement among bankers that the system needs reform but general disagreement on the scope and nature of it.

Mr Kafaoglu last week obtained power from the Consultative Assembly, the legislative body appointed by Turkey's ruling generals, to issue a government decree to amend the Banking Act.

At this stage, however, the amendments he proposes to make are no more than a statement of intent. Before these become law they will have to be endorsed by the majority of the principal banks, the government and, last but not least, the ruling generals.

Government officials say that the amendments would not be discriminating against foreign banks already operating in Turkey.

Arrests follow Polish explosions

By Christopher Bobinski in Warsaw

AN UNDERGROUND group from the copper-rich Legnica province has been the only one to resort to the use of explosives in Poland, according to local police officials.

Arrests have been made of 23 people suspected of being responsible for six separate incidents involving explosives between last November and February. There has been no mention of casualties.

Terrorism had been expected by some to develop on a large scale last year in response to the imposition of martial law, and the authorities at times have played up the danger to discredit the underground Solidarity movement.

However, the statement in the local press last week by Colonel Marek Ochocki, the police commander in Legnica, shows that terrorism has been restricted considering that explosives are the most easily accessible of all potential weapons to industrial workers.

In the past year, Solidarity's national leadership has restricted itself to calling strikes and demonstrations, and it has called a moratorium on these during Pope John Paul's visit to Poland in June.

Swiss GDP down 1.3% last year

By John Wicks in Zurich

SWITZERLAND'S gross domestic product dropped by some 1.3 per cent in real terms last year, according to official estimates. This was due almost entirely to the decline of the economy in the third and fourth quarters by 2.5 and 2.4 per cent, respectively. First-half figures were around corresponding 1981 levels.

For tho year as a whole, only government spending showed an actual increase after adjustment for inflation, rising by some 1.9 per cent. Private consumption fell off by a real 1 per cent and domestic investments in plant and equipment by 3.4 per cent. In the foreign trade sector, exports of goods and services fell by 3.6 per cent in real terms and corresponding imports by 2.1 per cent.

Optimism over economic change may be misplaced

Interest payment cuckoo in Danish budgetary nest

BY HILARY BARNES IN COPENHAGEN

SIX MONTHS after a non-Socialist Government took office the first for eight years, the Danes are feeling increasingly opimistic about their economic prospects. Mr Poul Schluter, the conservative head of the four-party coalition, exudes confidence: "We have broken the vicious spiral of self-reinforcing problems," be said recently.

Several factors have helped to fuel the present optimism:

● Bond prices have staged a strong recovery over the past six months, with average effective yields falling from 22 per cent last autumn to about 15 per cent today. Share prices have risen by 32 per cent since the end of last year.

● The European Monetary System realignment paved the way for a cut in the official discount rate from 10 to 8.5 per cent, the lowest since the beginning of 1979. Most commercial banks responded by cutting their lending rates by two percentage points.

● The trades unions and employers in both the private and public sectors have concluded new two-year collective wage agreements with awards in the 4 per cent to 5 per cent range. Allowing for the effect of some possibly higher settlements later, wage rates can be expected to rise by 6 to 7 per cent a year. The automatic price-wage link was broken last autumn when the Government abolished indexation.

● The annual inflation rate has slowed from about 10 per cent to about 7 per cent over the past half year, and over the past three months consumer prices rose at an annualised rate of only 2 per cent.

● The trade balance showed a small surplus in the first two months of the year, mainly owing to a substantial reduction in oil imports.

All these developments, aided by falling international interest rates and oil prices—even the mild winter weather bas smiled favourably on Mr Schluter—are helpful. Mr Erik Hoffmeyer the central bank governor, has warned the Danes not to let the optimism get out of hand, however, emphasising that there is a long way to go yet before the country's very serious economic problems are overcome.

Mr Poul Schluter, the Danish Prime Minister (above) is both lucky and optimistic. But if Denmark's economy is to deal with the problems that have dogged it for the past few years, it will need *more than hope and good fortune*

Two of the most intractable problems are the high cost of servicing the foreign debt and the large and rapidly increasing budget deficit. Unemployment also continues to run at a dispiritingly high 10 per cent.

The deficit on tho current account of the balance of payments last year increased from Kr 12.5bn (£960m) to Kr 20.2bn, taking the net foreign debt to Kr 155bn or 33 per cent of Gross Domestic Product, about \$3,600 per capita. Net interest payments on the debt at Kr 18bn, accounted for most of the deficit.

The budget deficit is a problem of equally alarming proportions. This year it will increase from about Kr 47bn in 1982 (comparing the 1982 and 1983 Finance Act figures) to about Kr 69bn, or from 10.1 per cent to 13.5 per cent of GDP, but the increase would bave been much larger if the Government had not succeeded last autumn in making substantial budget cuts.

Expenditure on interest payments will this year be about Kr 40bn in a budget with revenues totalling Kr 155bn and expenditure (including interest payments) of about Kr 224bn. It is already likely that interest payments in 1984 will rise ta more than Kr 55bn. Spending cuts and/or tax increases of Kr 30bn will be needed just to prevent the deficit from increasing, according to estimates by Copenhagen Handelsbank.

Tha recent sharp fall in interest rates will not, paradoxically, help the Government mucb as real interest rates after inflation remain at about 97 per cent. At this level debt servicing will remain the cuckoo in the budgetary nest.

The growth of the foreign debt cannot be balted quickly olther, as the public aector will have to borrow well over Kr 20bn a year for tho next few years just to service the debt outstanding at the end of 1982.

The one thing which would help get the country off the debt hook would be a really rapid rise in exports and in local production of goods which would hold off imports, but despite the peaceful solution of this year's wage round, there will not be much improvement in the relative price of Danish exports this year. An increase in payroll taxes will add another 1.5 per cent to the rise of 6-7 per cent in wage costs and the trade-weighted valne of the Krone bas appreciated by about 6 per cent since last autumn.

Some relief for the trade balance is on the horizon from the end of 1984, when the import of Danish North Sea gas for domestic use will begin, cutting the fuel import bill by Kr 10bn or more over the next few years.

It remains clear, however, that even with North Sea gas, more than the Schluter luck will be needed over the next few years if Denmark is not to sink even deeper into the domestic and external financial swamps.

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French currency defence confuses reserves position

BY DAVID MARSH IN PARIS

GROWING MYSTERY surrounds the true state of France's official currency reserves following heavy foreign exchange intervention by the Bank of France both before and after last month's franc devaluation within the European monetary system EMS.

Weekly statements from the central bank show e massive recent increase in short-term French borrowings, mainly from other central banks, to help support the franc during the unrest leading up to the devaluation. Although the Bank of France's freely available stock of currency ammunition bas remained steady at about FFr 10bn in recent weeks, these increased borrowings bave severely depleted the net level of foreign exchange reserves.

However, the French Finance Ministry denies that last month's intervention has exhausted the Government's $6bn worth of foreign loans arranged at the end of last year.

Although the $2bn short-term credit from Saudi Arabia bas been used, the $4bn Euromarket credit from international banks is said by senior officials to be still intact.

M Jacques Delors, the Finance Minister, has said publicly that reports of heavy foreign exchange ontflows have been based on misleading information.

Bank of France figures showed that the bank's net borrowing position increased by FFr 38bn in the two weeks to March 17, although it levelled off in the week to March 24 in which the devaluation was decided on March 21.

To conclude that France has lost that much in foreign exchange, according to M Delors, would be based on false arithmetic — "like adding apples and pears."

The Bank of France borrowing appears to have been from other central banks in particular via the international network of short-term "swap" credits, as well as from the special mutual support fund set up as part of central bank borrowing facilities in the EMS. These latter credits, which can be drawn to an unlimited amount, have to be repaid after a maximum seven and a half months.

Part of the borrowing has also come from the Government's separate Exchange Stabilisation Fund, which comprises international credits from Saudi Arabia and the Euromarket.

The Bank's recent operations on the Euro franc market — where it intervened heavily earlier last month to drive up interest rates to astronomical levels and dissuade speculation against the franc — have also added to its borrowings.

Part of the debt has already been reduced following the devaluation. The D-Mark has been pegged almost constantly to its "floor" level in the newly-agreed fluctuation band against the franc. This bas allowed the Bank of France to buy back D-Marks — although at a more expensive rate than before the realignment — and pay back some of its foreign currency borrowings.

A more accurate picture will not emerge until later this month when the Finance Ministry issues its monthly reserve statement for March. This will combine the Bank of France's holdings of gold, and foreign exchange, the reserves of the Exchange Stabilisation Fund and France's drawings on the EMS support fund as of the end of last month.

Until then, the Bank of France's weekly reserve statement, which more than ever is giving an incomplete picture of the foreign exchange position, will probably cause more confusion than clarity.

Netherlands to subsidise RSV naval contracts

BY WALTER ELLIS IN AMSTERDAM

THE DUTCH Government will provide Fl 1.34bn (£336m) in subsidies over the next four years to enable subsidiaries of RSV, the failed shipbuilding group, to complete vital naval contracts. Part of the amount is te compensate for pre-payments to RSV lost by the group prior to its being placed in the hands of the official receivers.

RSV's handling of its financial affairs in recent years is to be investigated shortly by a parliamentary commission of inquiry. The Dutch state has provided the group with some Fl 2bn (£502m) in loans since 1977. MPs want to know what happened to the money and why RSV had to be granted a moratorium on payments in February.

Much of the group is likely to be closed down this year, with the loss of 6,000 jobs. The centre-right Government of Mr Ruud Lubbers refused a plea by the company for further aid and undertook only to help those divisions which were engaged in national defence contracts.

Rotterdamsche Droogdok Maatschappij (RDM) and Koninklijke Maatschappij de Schelde, both of Rotterdam, are the two divisions principally affected. RDM is building two submarines for the Dutch Navy, and two anti-aircraft frigates are under construction at de Schelde. Other vessels are urgently required and Mr Lubbers has said that RDM and de Schelde are to be awarded the contracts.

The Government's decision to maintain naval shipbuilding capacity at RDM, the bigger of the two yards concerned, does not mean that the company will remain in business as before. The ship-repair section is being put up for sale to private buyers despite objections from the unions and a sit-in by workers.

The project which contributed most directly to the collapse of RSV—a deal to supply giant coal excavators to the U.S. coal mining market—is now, ironically, showing signs of making a profit. RSV is understood to have tied up in the deal some Fl 500m (£125m) of its assets, many of which are now irrecoverable.

Spanish state challenges military justice in coup attempt appeal

BY DAVID WHITE IN MADRID

SPAIN'S MILITARY and Civilian powers will cross swords today when the state prosecutor appointed by the Socialist Government presses an appeal for stiffer jail sentences against army officers involved in the coup attempt of February, 1981.

The hearing in the second chamber of the Supreme Court is unprecedented because it might lead to a civilian tribunal overruling the findings of military justice. At the same time, the 20 men who were jailed have appealed against their sentences, claiming that they were acting out of patriotism and under orders.

However, with none of the defendants due to appear in person and no witnesses to be called, there is little of the tension that surrounded last year's long military trial.

The previous centrist government launched the appeal amid widespread indignation over the leniency of the sentences. The state is seeking heavier punishment for 28 of the 33 convicted men, who include one civilian.

Particular interest focuses on the case of General Alfonso Armada, who was second most senior in the joint chiefs of staff at the time of the abortive coup, and who, the prosecution contends, was a ring-leader with General Jaime Milans del Bosch. It is seeking to change his change from "conspiracy to rebel," for which he was sentenced to six years, to "military rebellion," for which he could be jailed for up to 30 years.

Only Gen Milans, who commanded the Valencia region, and Colonel Antonio Tejero, the Civil Guard officer who held Parliament hostage for 17 hours, received this maximum 30-year sentence.

Defendants have claimed they acted in the belief that Gen Armada, a former military aide to King Juan Carlos, had received assurances of the King's support for the plot.

El Alcazar, the extreme right-wing newspaper, yesterday published a detailed preview of the trial, making no comment but surrounding it with news of recent terrorist attacks by Eta, the Basque separatist organisation. The terrorism question was used as one of the principle justifications for the revolt.

The newspaper said this was not necessarily the final word on the coup attempt and that the case could still go to the Constitutional Court and the European Court of Human Rights.

Six junior officers and one civilian who received two-year sentences were released pending the appeal on February 23, the second anniversary of the coup attempt. The prosecution is seeking to change these terms and overturn eight of the 11 acquittals in the original trial.

Behind an amicable wage settlement lies a serious future problem

Sting in the tail for W. German union

BY STEWART FLEMING IN FRANKFURT

CONSIDERING the pressures it was under, I G Metall, West Germany's largest trade union with 2.5m members has come out of the 1983 wage round far better than it might have expected.

The new 12-month contract provisionally egreed with the employers provide for a 3.2 per cent wage increase for 3.6m workers, in industries ranging from mechanical and electrical engineering to car production. The rise may even turn out to be in line with the target the union set in January.

I G Metall said then it would seek an increase which would match inflation, a goal which, given the cuts in real income its members had to absorb in 1981 and 1982, was more ambitious than it sounded.

Over the past six months, however, the cost of living in West Germany has been rising at only 3 per cent and the last year-on-year inflation figure (for March) showed a 3.5 per cent rate of increase. Even allowing for the forthcoming rise in valne added tax, it is hard to imagine that inflation in 1983 will be much above the 3.5 per cent mark and could be below it.

With 2.5m workers unemployed, 1.1m working short time and a new Centre-Right Government proclaiming that an economic upturn is underway, I G Metall's leaders would have faced a storm of political protest if they had called an all-out strike.

Union leaders can read election results too, and the heavy vote which Chancellor Helmut Kohl obtained in the General Election on March 6, allied with the slump in support for the Social Democratic Party (SDP), the unions' traditional ally, showed which way the wind was blowing.

On March 21, following a breakdown in talks in Bavaria, the union took soundings which must have shown that the rank and file had no stomach for a fight. Immediately afterwards it became clear that the leadership was giving up hope of matching the 4 per cent deal reached in a one-off agreement at West Germany's largest motor manufacturer, Volkswagen.

But if the deal can be seen by both sides as reasonable—the employers can hope to cover the cost with rising productivity if the economy turns up as expected—the trade union can draw little satisfaction from the circumstances in which it was reached.

In the first place it has become clear that whereas one could say with confidence in the past that I. G. Metall's settlement would set the pace for wage agreements across West German industry and even into the offices of banks and insurance companies, this is no longer certain.

OPEL, THE West German car-making subsidiary of General Motors, is recruiting an extra 1,000 workers at its Bochum and Russelsheim plants, writes John Griffiths. The move follows a sharp increase in Opel sales, up by 20 per cent in the first quarter compared with the same period a year ago.

The company expects to capture 19 per cent of the West German new car market—which it forecasts at 2.28m units this year—compared with 18.2 per cent last year and 16.2 per cent in 1981.

This will be the first substantial recruitment by Opel for several years. Its current work force of 60,000 is about 6,000 fewer than in the late 1970s. Like most other European makers, it has cut manning levels since in pursuit of higher productivity. Some 600 are expected to be recruited at Russelsheim, the remainder at Bochum.

For instance, last week the 660,000 strong chemical workers' union I. G. Chemie-Papier-Keramik, reached agreement on a 3.2 per cent wage increase in a 14-month contract, before the I. G. Metall settlement.

The unien also broke new ground in a cautious long-term agreement aimed at shortening the working week. Employees whe are aged over 58 will be able to reduce their working hours from 40 to 36 a week every ether week from September, but will be paid in full. From January, 1987 they will be able to work a 36-hour week, every week. To secure this concession the union has agreed to extend the normal 40-hour working week agreement until the end of 1987.

Thus, before other major unions address the question of cutting working hours, I G Chemie has conceded some principles, in particular the 40-hour working week. I G Metall has made it plain that it wants to rednce working hours to 35 a week and to negotiate about this in 1984.

It is widely suspected that one reason why I G Metall did not press this year's wage claim is that it has been keeping its powder dry fer the 1984 wage round. Given the uncompromising stance which the union and employers have already taken on the issue of shorter hours, a national strike, perhaps a protracted one, is thought to be inevitable.

West Germany's trade unions are no longer in the happy position they were in in the 1970s when with the Social Democrats in power they successfully pressed for social and work reforms.

Chancellor Kohl's Government is showing no signs of rabid anti-unionism—it clearly won the support of many card-carrying trade unionists in the election. But its priorities are the improvement of corporate profits and investment.

Unemployment is likely to be higher next winter than it is now, so the unions will need to be very persuasive if they are to mobilise their supporters behind the claim that cutting the working week is both good for the economy and for unemployment.

As they are divided about which way to press for e cut in working hours, their chances of success would appear to be diminished. Some senior officials fear too that rank and file identification with the union is weakening, that the ideological and political threads binding the union movement together and to the SPD in Bonn, are fraying.

IG Metall's leaders could hope for a more favourable background to their plans for a radical change in working conditions next year.

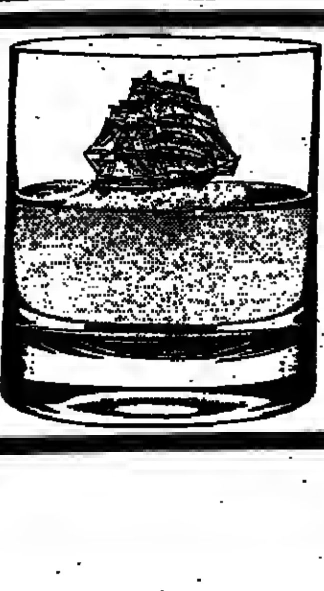
Norway awards contract to right Kielland

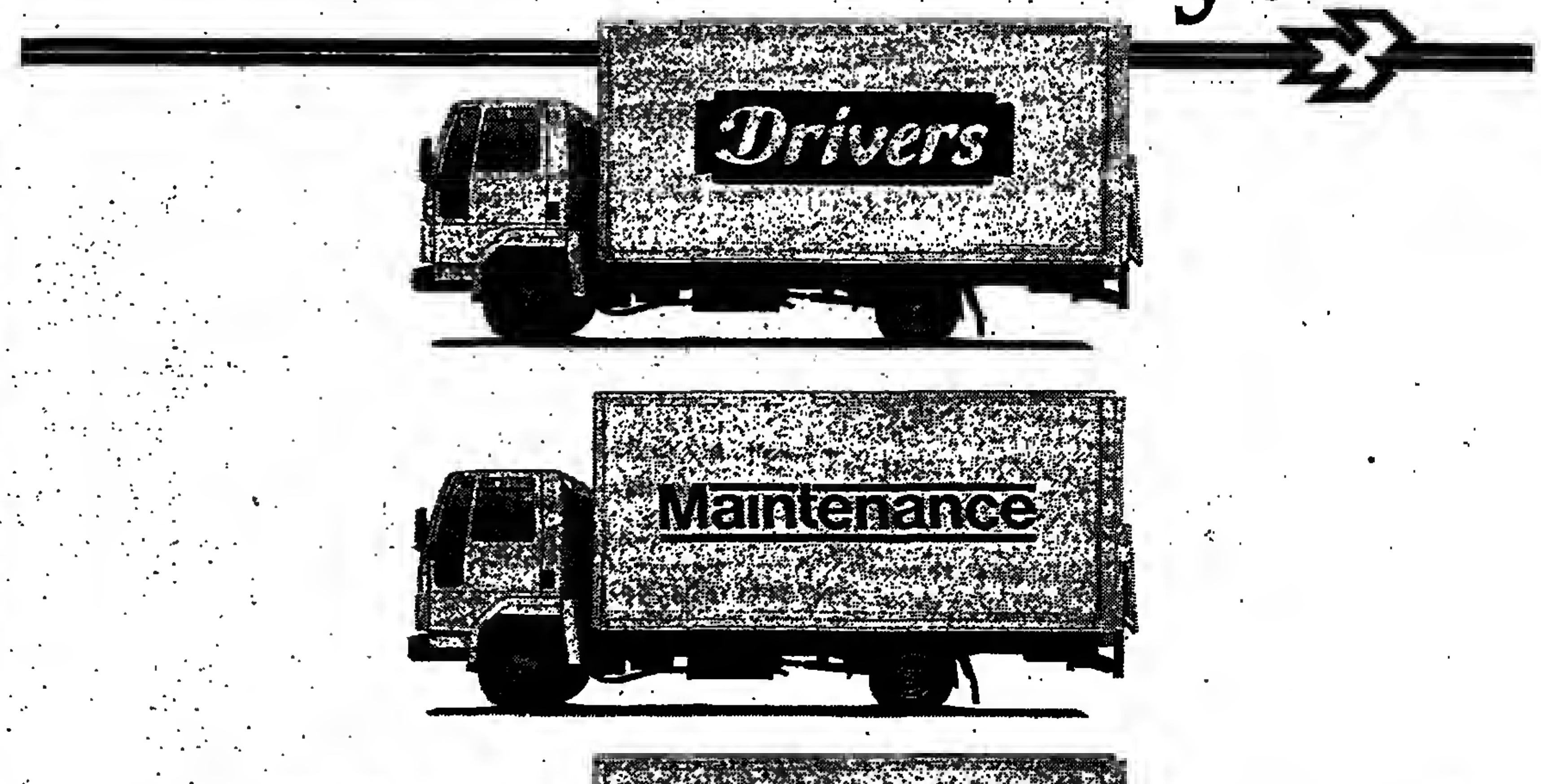
By Fay Gjester in Oslo

STOLT NIELSEN Seaway Contracting, a Norwegian company, has won a contract worth about NKr 100m (£9m) from the Norwegian Government, to right the accommodation platform "Alexander Kielland," which capsized in e North Sea storm three years ago, killing 123. The other tenders submitted came from foreign companies—two Dutch and one Swedish.

A Bergen shipyard is building buoyancy tanks which will be attached to the platform's four remaining legs to assist the uprighting. Preparations for the work will begin almost immediately. The actual turning is scheduled to start some time in July.

Ne one will be allowed on the uprighted rig until police have inspected it for evidence that could explain why it capsized so rapidly.





Thai aircraft 'drop napalm on Hanoi's troops'

BANGKOK — Thai aircraft have used napalm against Vietnamese troops entrenched in Thai territory along the border with Kampuchea, senior officials said yesterday.

Two U.S.-built F-5E fighter-bombers dropped the fiercely burning petroleum jelly on Monday on an estimated 150 Vietnamese dug in on the slopes of Phnom Pra, a hill that Thailand says is just inside its ill-defined frontier with Kampuchea.

It was the first reported use of napalm in Indochina since the war in Vietnam ended in 1975 and Communist governments took over in Laos, Kampuchea and former South Vietnam.

The officials said napalm was used as a last resort after repeated shelliogs failed to dislodge the Vietnamese but they were still reported to be there yesterday.

The Vietnamese occupied the bill over the weekend, the latest aetion in a series of incursions the Thai authorities bave reported since Hanoi's fresh offensive against Kampuchean insurgents began on March 31.

Reuter

Kathryn Davies adds from Singapore: The Thai Defence and Foreign Ministries bave conceded that constant beavy artillery barrages, band-to-hand combat, and air strikes have sil failed to dislodge Vietnamese infantry occupying the strategic hillside from whieh Hanoi's troops can cut off the Kampuchean guerrillas' line of retreat.

Relief workers on the border say they bave treated scores of badly injured Kampucheans. At least seven Thai soldiers have died in the fighting. Casualties on the Vietnamese side are unknown, but thought to be heavy.

Attempts by Western correspondents to travel to the border from Bangkok in an effort to verify the Thai military's version of events bave so far been frustrated by order from Gen Arthit Kamlang-ek, the Thai army Commander-in-Chief.

S. Africa arms agency cuts 850 more jobs

By Bernard Simon in Johannesburg

ARMSCOR, South African's state-owned weapons manufacturing and procurement agency, has retrenched 850 workers, bringing the reduction in its workforce over the past two years to about 18 per cent.

The company, which claims to be the world's tenth largest arms manufacturer, slowed recruitment some time ago, and has cut its staff complement from a peak of 28,000 to about 23,000.

Armscor said the latest lay-offs were caused by lower demand for certain categories of armaments because of the "changed priorities" of the defence force. "We have enough of certain things," an Armscor official said.

The retrenchments have taken place at two of its nine manufacturing subsidiaries—Atlas Aircraft, which has halted production of Italian-designed Impala fighter trainers, and Naschem, which produces bombs and other heavy ammunition.

Militant Sikh leader gives warning on shootings

BY K. K. SHARMA IN NEW DELHI

THE LEADER of the Sikh Akali Dal party of Punjab, Sant Harchand Singh Longowal, warned yesterday that the Government would have to "pay the price" when he condemned the killing of 20 people in police firing in the state on Monday.

Sant Longowal demanded a judicial inquiry into the firing on Sikhs who came ont in response to the militant Akali Dal's call to paralyse traffie on Punjab highways in support of religious and political demands.

The Akali leader also claimed 38 Sikhs were killed, disputing the statement by Mrs Indira Gandhi's Home Minister yesterday to Parliament that 20 lost their lives.

Mr P. C. Sethi, the Home Minister, asked the Sikhs to give up the path of confrontation and to resolve their differences with the Government without resorting to violence.

The brief Government statement made no reference to the actual demands of the Sikhs and it now seems certain that they will step up their agitation. This is bound to increase tension in the sensitive border state and could lead to more violence.

Mrs Gandhi now faces the prospect of violence and unrest in both the north west and north east of the country. More clashes between student agitators in the troubled north eastern state of Assam and police have occurred in the past few days, ending a brief lull in the agitation for the identification and deportation of Bengalis.

In both states, it appears that agitators are determined to press their demands and resort to methods that will lead to more violence. The Government is increasing security precautions bnt has given no indication that it plans any concessions.

Mugabe takes tougher line

By Our Harare Corresppondent

ZIMBABWE'S Prime Minister, Mr Robert Mugabe, yesterday promised to deal with insurgents and their collabrators in Matabeland "with increasing vigour."

In a tough speech to church leaders of all denominations, Mr Mugabe gave no hint of any softening in the Government's policy towards the dissidents, who at the weekend murdered a white Zimbabwe senator, his 20-year-old daughter and a visitor from Britain.

He rejected church criticism of tactics used by the army against the rebels, hitting out at "sanctimonious prelates," and others of the band of Jeremiahs," including "reactionary foreign journalists.

Significantly, Mr Mugabe made several references to "Zapn and its dissidents" and asserted that the dissident campaign had only one aim—putting Mr Joshua Nkomo into power.

Tokyo package aims for growth of 3.4%

BY OUR TOKYO CORRESPONDENT

THE JAPANESE Government yesterday unwrapped an economie package which it claimed should ensure that the officially projected real growth rate of 3.4 per cent would be reached this year.

Absent from the package—though not, it is widely assumed, for long—are a cut in the discount rate and a reduction in income taxes, both of which are more likely to provide some real economic stimulus.

But a discount rate cut from the present 5.5 per cent is still considered imminent, barring an unforeseen plunge in the value of the yen against the dollar.

Mr Nobro Takeshita, Finance Minister, said yesterday that while this remained the preserve of the Bank of Japan, be thought a cut in the rate would be "effective as a reflationary measure."

The Government is committed to a tax cut of at least one trillion (million million) yen (about £2.82bn) later this year. Any offsetting increase in indirect taxation is not planned until the 1984 fiscal year at the earliest.

The Government hopes that the package, for all its modesty, will impress Western partners at the Williamsburg, Virginia, economic summit next month that Japan is doing its part to promote global economic revival.

The measures are also designed to influence the Japanese public, which bappens to be voting in local elections this month, for the Upper Hose of the Diet in June, and perhaps in general elections within the next few months.

Little if any new Government spending is entailed in the package, which was formally approved by the Cabinet yesterday and is virtually assured of parliamentary implementation. The main elements include:

- A front-loading of public works spending into the first half of the new fiscal year, which began last Friday. The planned 70 per cent disbursement of the full year's allocation in the first half is actually less than the record of the last fiscal year, when over 77 per cent of public works spending occurred in the first six months.
- Official "administrative guidance" to the electrical power industry to initiate the major part of its Y500bn capital spending in the next six months.
- A boost for housing construction, principally through the provision of new longer-term lower interest rate mortgages.
- Some easing of the regulatory burden on business, such as existing laws restricting commercial building in urban areas.
- Policies already in place, for example, the assistance to structurally depressed industries and the most recent government action revising some of the standards and testing procedures that have discriminated against imports.

Taken together, the new measures reflect the extremely cautious domestic economic policy espoused by the Government of Mr Yasuhiro Nakasone. Even the promised income tax cut was wrung from a reluctant Prime Minister, mainly by a rare display of effective unity by the political opposition.

For some months, the Japanese economy has been in a holding pattern, with real growth struggling to maintain 3 per cent a year and with unemployment rising to a modern record of just over 2.7 per cent. The inflation rate, on the other hand, has remained at a negligible 2 per cent.

However, there is evidence that small businesses, the multi-jointed backbone of the Japanese economy, have been suffering from a stagnant economy

The concerns of small business provide the political imperative for the Prime Minister to offer at least some practical assistance

Japanese elections: neither impenetrable, nor inscrutable

BY JUREK MARTIN IN TOKYO

JAPANESE politics are usually dismissed as impenetrable because they are all about factions, which are themselves impenetrable. This may be partially true in respect of the labyrinthine workings of the ruling Liberal Democratic Party but there is mueh less mystery about the political process that is about to unfold in this month's local elections across the country.

They are important, not merely because of their impact on Japanese local government, but also because their outcome will be a factor in determining when Mr Yasuhiro Nakasone, the Prime Minister, goes to the country in a general election, which be must do within the next 14 months. Other considerations also weigh on him, not least the wishes of Mr Kakuei Tanaka, the former Prime Minister, and the timetable of the final acts in the Lockheed bribery case.

Mr Nakasone's position, both in timing and substance, bears some resemblance to that of Mrs Margaret Thatcher, his British counterpart. Both have particular problems: Mrs Thatcher with the economy, Mr Nakasone with Mr Tanaka, which can infinence when an election is held; and neither can ignore the evidence of public opinion derived from by-elections and local government elections.

The comparison can be taken further: if Bermondsey and Darlington were decided, as they apparently were, by the personalities of the candidates and the political muscle of the parties, then the more important of the Japanese elections this month will be similarly affected. Traditionally, individuals count more thsn parties in Japan, especially in local polls, though this time, in anticipation of a general election, the parties will be keen to test grassroots organisation.

The elections come in two waves: the first, on April 10, features 15 major gubernatorial and mayoral races, the second, a fortnight later, encompasses lower government levels. Three contests stand out for their potential national import.

These are the governor's races in Tokyo, the capital city, in Hokkaido, the northern island, and in Fukuoka, on the southern island of Kyushu. The three are relatively straightforward contests between the Conservative forces, led by the LDP with the support of some, or all, of the smaller Centrist parties, and the so-called "renovationists," comprising, in Tokyo and Fukuoka, an alliance between the Socialist and Communist parties and in Hokkaido a strong Socialist candidate.

The inability of the Socialists and Communists to bury their differences and field more joint candidates is clearly a handicap. While frustrated in national politics in the 1960s and 1970s they did win some substantial local victories by pooling their resources

The nearly failed to find a candidate this time in Tokyo before settling at the last minute on Mr Hideo Matsuoka, a well-known political journalist and critic of Mr Nakasone. Lacking a record in local government, he has chosen to turn the Tokyo race into a referendum on the Prime Minister, hoping that this will appeal to a sophisticated metropolitan audience. But he has started well behind the incumbent governor, Mr Shunichi Suzuki, who has both Right and Centre behind him.

Ichiro Nakagawa . . . his suicide has caused disarray in the LDP

The contest in Hokkaido may be more wide open than the 57 per cent backing won four years ago by the previous Centre-Right governor, now retired, might suggest. The local LDP is in some disarray, following the suicide earlier this year of its leading light, Mr Ichiro Nakagawa, the former Cabinet Minister and faction leader.

At the same time, the socialists are running a young 42-year-old Diet member, Mr Takahiro Yokomichi, who is said to be waging an impressive campaign, though partly hamstrung by the existence on his Left of a third candidate from the Communist Party.

In Fukuoka, the conservative incumbent, Mr Hikaru Kamei, was returned to a fourth term in 1979 by a two-to-one margin. But his government has been tainted by subsequent scandal and be is under pressure from a joint candidate of the Left.

The conventional current view is that if the conservative forces carry all three, by decent margins, there will be added pressure on Mr Nakasone to go for an early general election (which happens to be what Mr Tanaka wants): if they lose Hokkaido and Fukuoka—and especially if Tokyo goes—he may deem it more politic to wait (which is what the anti-Tanaka forces inside the LDP want): if either Hokkaido or Fukuoka goes to the Left, then the waters simply get more muddied.

They will not, in any case, be exactly pellucid, because party labels in local elections are not necessarily uppermost in the minds of the voters. A recent Yomiuri newspaper poll, for example, found that less than 30 per cent of those surveyed considered the party affiliation of a candidate or his policy views to be of paramount importance. More than 60 per cent gave greater weight to the combination of his personality, his actual record (in or out of politics) and his local connections.

Even so, there is enough in the upcoming local elections to divert the eye and mind from cherry blossom season: and there is enough that is familiar, even simple, in both execution and national political consequences to suggest that Mrs Thatcher and Mr Nakasone might find it useful to compare notes.

CONTRACTS AND TENDERS

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(ALGERIAN POPULAR DEMOCRATIC REPUBLIC)

MINISTERE DE L'INDUSTRIE LOURDE

(MINISTRY OF HEAVY INDUSTRY)

ENTREPRISE NATIONALE D'EMBALLAGES METALLIQUES

(NATIONAL COMPANY FOR METALLIC PACKAGING)

COMPLEXE D'EMBALLAGES METALLIQUE

(METALLIC PACKAGING COMPLEX)

KOUBA

NOTICE OF OPEN INTERNATIONAL CALL FOR TENDERS No. KDU 02/83

An Intrnational Call for Tenders is being lounched for the supply of:
—Item No. 1—281 tonnes of lead in ingots assayed at 99.98%
—Item No. 2—10 tonnes of pure tin in ingots assayed at 99.99%
—Item No. 3—100 tonnes of zinc wire 3/16" Ø 4.76 mm.

Offers should be sent in the form of pro-forma invoices, of which eight (8) copies should be prepared, C/F Algiers and FOS.

Interested tenderers should send their offers in a double sealed envelope, the outer envelope being completely anonymous and stating simply: "Appel d'offre No. 02/83 Lot No. ......—a ne pas ouvrir" (Call for Tenders No. KOU 02/83 Lot No. ......—do not open) to EMB ex SNS, Complexe d'Emballages Metalliques (Metallic Packaging Complex), BP 93 (PO Box 93), KOUBA, ALGER (ALGIERS).

These offers must be accompanied by the following documentation:
—Bid
—Declaration to be signed
—Document certifying that the company does not have recourse to intermediaries.

Offers should arrive within 30 days with effect from the date on which this notice is published.

Tenderers shall remain bound by their offers for a period of 60 days with effect from the final date for filing of offers.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(ALGERIAN POPULAR DEMOCRATIC REPUBLIC)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES

(MINISTRY FOR ENERGY AND PETROCHEMICAL INDUSTRIES)

"ENTREPRISE NATIONALE DE FORAGE"

(NATIONAL OIL EXPLORATION COMPANY)

NOTICE OF LIMITED INTERNATIONAL CALL FOR TENDERS No. EX/03/83

The Enterprise Nationale de Forage (National Oil Exploration Company) "ENAFOR" is launching a limited international call for tenders for the supply of:

—Item No. 1: Miscellaneous spare parts for "CATERPILLAR" Diesel Engines;

—Item No. 2: Miscellaneous spare parts for "GM" and "EMD" Diesel Engines.

This Call for Tenders is intended for construction companies and approved official distribution companies only, and excludes amalgamations, representatives of companies and other intermediaries, in conformity with the provisions of Law No. 78-02 of 11 February 1978 relating to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the specifications from ENAFOR—Department Engineering at Approvisionnements (Engineering and Supplies Department)—1, Place BIR HAKEIM—EL BIAR—ALGER (ALGIERS)—with effect from the date on which this notice is published.

Tenders, of which eight (8) copies should be prepared, must be sent in a double sealed envelope, by registered post: the outer envelope should be completely anonymous, bearing no captions, logo or seal of the tenderer, and stating simply:

"APPEL D'OFFRES INTERNATIONAL No. EX/03/83—CONFIDENTIEL A NE PAS OUVRIR—A L'ATTENTION DE MONSIEUR LE CHEF DU DEPARTMENT ENGINEERING ET APPROVISIONNEMENTS" (INTERNATIONAL CALL FOR TENDERS No. EX/03/83—CONFIDENTIAL—DO NOT OPEN—FOR THE ATTENTION OF THE HEAD OF THE ENGINEERING AND SUPPLIES DEPARTMENT) to arrive by 10.5.1983 at the very latest. Any tender arriving after this date will be rejected.

Selection will be made within 120 days with effect from the closing date of this Call for Tenders.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(ALGERIAN POPULAR DEMOCRATIC REPUBLIC)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES

(MINISTRY FOR ENERGY AND PETROCHEMICAL INDUSYIRES)

"ENTREPRISE NATIONALE DE FORAGE"

(NATIONAL OIL EXPLORATION COMPANY)

NOTICE OF INTERNATIONAL CALL FOR TENDERS No. EX/02/83

The Enterprise Nationale de Forage (National Oil Exploration Company) "ENAFOR" is launching an international call for tenders for the supply of spare parts for drilling mud pumps (Hydraulics).

This Call for Tenders is intended for manufacturing companies only, and excludes amalgamations, representatives of companies and other intermediaries, in conformity with the provisions of Law No. 78-02 of 11 February 1978, relating to State Monopoly on Foreign Trade.

Tenders interested in this Call for Tenders may obtain the specifications from ENAFOR—Department Engineering at Approvisionnements (Engineering and Supplies Department)—1, Place BIR HAKEIM—EL BIAR—ALGGER (ALGIERS)—with effect from the date on which notice is published.

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REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(ALGERIAN POPULAR DEMOCRATIC REPUBLIC)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES

(MINISTRY FOR ENERGY AND PETROCHEMICAL INDUSTIRES)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS

(NATIONAL COMPANY FOR THE EXPLORATION OF OILWELLS")

NOTICE OF INTERNATIONAL CALL FOR TENDERS No. 9014AE/MF

The Entreprise Nationale des Travaux aux Puits is launching an International Call for Tenders for the supply of:
1—PNEUMATIC WINCHES GO TYPE HMKL 61281
2—ELECTRIC WINCHES WITH STONL ELECTRIC BRAKE TYPE OC 2040 WITH ELECTRIC ENGINE
3—SWIVELS NAT. N. 815
4—DESANDING POOLS 12/18 "ON SKID"
5—DESANDING POOLS 12/18 "ON SKID"

This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No. 78-02 of 11 February 1978, with respect to State Monopoly on Foreign Trade.

Tenders interested in this Call for Tenders may obtain the specifications from the following address:

Entreprise Nationale des Travaux aux Puits—2, rue du Capitaine AZZOUG—Cote-Rouge—Hussein-DEY-ALGER (ALGGIERS)—(ALGERIA)—Department Approvisionnements et Transports (Supplies and Transport Department) with effect from the date on which this Notice is published.

Tenders, of which five (5) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the Secretariat of the O.A.T. (Supplies and Transport Department) at the above address. The outer envelope should be completely anonymous, bearing no company insignia, and stating simply "Appel d'Offres International numero 9014.AE/MF confidential — A ne pas ouvrir" (International Call for Tenders number 9014.AE/MF confidential—do not open).

Tenders should be sent to arrive by Saturday, 7.5.1983 at 1200 hours, at the very latest.

Selection will be made within 180 days from the closing date of this Call for Tenders.

WORLD TRADE NEWS

French make pitch for Chinese nuclear power station order

BY DAVID MARSH IN PARIS

FRANCE will he trying to woo China into agreement on a hig nuclear power station order during a week-long French visit starting today by Mme Chen Mu Hua, the Chinese Minister for Foreign Economic Relations.

The Government is giving increased backing to the nuclear industry's efforts to secure export orders. This is to help compensate for the sharp slowdown expected over the next few years in domestic N-plant construction.

Eagerness to huild up foreign nuclear husiness was underlined last week by M Claude Cheysson, the French Foreign Minister, who said France was ready to sell a nuclear station to Pakistan in spite of controversy over weapons safeguards.

Framatome and Alsthom Atlantique, the two hig French nuclear engineering companies, are hoping to clinch contracts for the 1,800 MW nuclear plant China intends to huild in Canton province

China signed a protocol agreemeot 10 days ago with GEC of the UK, thought to cover the turbine part of the power station.

Thongh they are resigned to sharing the nuclear contract with Britain, officials hope that an agreement can be worked out permitting GEC and Alsthom to co-operate on the classical part of the power station while Framatome supplies the equipment

The Chinese Minister's trip to France comes a month before President Mitterrand himself travels to China for an official visit. Apart from meeting Ministers and visiting the Pierre Cardin and Christian Dior fashion companies, she will also tour steel and nuclear plants

The importance of foreign orders for the French nuclear business is growing in direct proportion to the slowdown on the domestic front. The Government this summer is due to take unpopular decisions on nuclear construction which could, according to some officials, scale down domestic French orders to no more than three or four over the 1984 to 1989 period, against the present rhythm of two or three a year.

Apart from China and Pakistan, the industry is hoping for orders from Finland, Egypt and Morocco. The companies are also interested in building a further nuclear plant for South Africa to follow np an earlier order clinched in 1976. But M Cheysson has puhlicly opposed such a deal

Mme Chen . . . visits to nuclear plants and Christian Dior

France has raised international concern by climbing down from strict insistence over non-proliferation safeguards on a just-conclnded deal to supply enriched uranium to India.

Sharp reaction to cancellation of contract

BY COLINA MACDOUGALL

THERE HAVE been aharp commeots on the statement ln London laat week by Mme Chen Muhua, China'a Minister for Foreign Economic Relatlons and Trade, that the Peking Government was justified lo refusing to ratify a defence contract signed with a major British consortium.

"What the Chinese are saying is that all businessmen will have to negotiate with central Government before they can he sure they have got a contract, which is scarcely possihle," said an executive from e leading British company.

Mme Chen, in Britain last week for talks with officiala ln the Departments of Trade, Energy and Industry and with top British husinessmen, declared that Peking had hehaved reasonahly in allowing a contract for purchase of £100m worth of Sea Dart missiles, and refit for two destroyers, to lapse within the period set for Government ratification.

The contract was signed last November after nearly three years of detailed talks with the Chinese by a group led hy British Aerospace, end Vosper Thorneycroft. It lapsed at the beginning of March.

Mme Chen confirmed that the Chinese Govarnment had not been satisfied with the price, the technology or the dellvery dates, and hed not examined these until the negotiations between the British and Chinese companies were completed and the contract signed.

"The Chinese Government must have been aware of these as negotlations proceeded," sald another husinessman In the defence field. "They are using this to cover up aome kind of internal dispute over priorities." Some Chinese officials have reportedly already indicated thet the real reeson for the cancellation was a bitter row in the party's Central Committee over the purchase of the weapons.

Merchant fleet '150m dwt too large'

By Our Shipping Correspondent

THE WORLD merchant fleet is about 150m deadweight tons too large, according to an estimate given late last week at a meeting in London of the International Maritime Industries Forum (IMIF).

The figure was given by Mr Alf Ihlen, 82, the former chairman of Den Norske Creditbank of Oslo, who had earlier suggested in a written presentation that as much as 200m dwt of the present world fleet should be scrapped. Despite record scrapping in 1982 of 29m dwt, the world merchant fleet had been reduced by only a tiny amount, be said.

At the meeting, the IMIF reaffirmed its policy of trying to encourage shipowners to scrap surplus vessels. It aims to persuade owners and countries to co-operate in efforts to reduce surplus tonnage.

Mr Ihlen considered that scrapping should be increased to 50m dwt a year. With the current level of new shipbuilding, it would then take six years for the world fleet to come down by as much as 150m dwt.

Last year, he noted, the tanker fleet was reduced from 320m to 301m dwt. It is here that the tonnage surplus has been most acute as recession has combined with changing patterns of oil trade.

The bulk cargo fleet, though, had risen from 154m to 167m dwt. Mr Ihlen's calculations did not include other types of vessel such as container, gas or refrigerated cargo carriers.

Spaniards push role as bridge to Latin America

SEVERAL leading Spanish business institutions are making a concerted effort to boost Spain as a trade broker stimulating commercial links between Europe and Latin America.

Business officials in Madrid believe Spain's negotiations to enter the EEC, combined with the country's historic and linguistic links with Latin America, put it in a good position to encourage trade between the two economic blocs.

The Madrid Chamber of Commerce, which has 400,000 business officials and companies in its membership, pointed out recently that 10 per cent of Spain's 1982 exports of Pta 1.8 trillion (million million) (£5.02bn) went to Latin America, chiefly Mexico (Pta 46.9bn) and Venezuela (Pta 26.7bn). Some Pta 700bn, or nearly 45 per cent, of Spain's exports went to the EEC.

Chamber officials feel that Spain's trading strength with each region is such that European countries would benefit from investing in Spain as a bridge to Latin America.

Sr Adrian Piera Jiminez, president of the Madrid Chamber, says development of such a bridge is a high priority. John Laing Construction of the UK, had already benefited through its Laing SA Spanish subsidiary, which had provided management expertise in the company's construction projects in South America.

In addition, the chamber selects 25-30 business school graduates each year for temporary assignment abroad, mostly in Latin America, Sr Piera said in an interview.

In order to stimulate Latin American trade interest in Europe, the Chamber several years ago helped set up the Association of Ibero-American Chambers of Commerce (Aico).

This organisation groups Spanish and Portuguese chambers with 90 chambers in Latin America. It meets twice a year and is to hold its annual meeting in Caracas later this year when it will consider proposals to broaden its membership to include non-Spanish/ Portuguese speaking chambers — mainly French-, Dutch- and English-speaking chambers from the Caribbean region.

The Latin American connection also figured in the Construmat-83 construction industry trade fair in Barcelona last month. The fair, which took in nearly 200,000 visitors, doubled its previous attendance in 1981, its first full year as an international event. It stressed the opportunities for European construction industry in Latin America.

Sr Jose Blanchart Gonzalez, a Construmat official, said the fair had become a link between the European construction industry and the growing Latin American market place. The organisation has established its own network of representatives throughout Latin America and was co-operating with various chambers of commerce in Spain and abroad

The reasons for the interest were clear, he said. The European and Spanish construction industries were in recession. While there were signs of recovery, Spain would probably never again enjoy the kind of building boom it experienced in the 1965-75 period, when scores of hotels were built and increasing numbers of people moved to the towns.

Spain's negotiations with the EEC and its historic links with Latin America put it in a good position to encourage trade between the two blocs. Frank Gray reports

Promoting Latin America was a feature of a recent marketing drive in Europe by Iberia Airlines, the Spanish national airline which predict a sharp financial recovery this year after combined losses in 1981 and 1982 of more than Pta 7bn (£35.14m). The success of the recovery will hinge largely on a greater push to develop Madrid as a hub for European business traffic bound for points in Africa and particularly Latin America.

Iberia's view is that Spanish tourism is self-sustaining — there was a record 42m tourists last year, nearly 11m of whom came in on airlines.

"We are identified ehroad with travel to Spain," Sr Luis Maria Gonzalo del Rio, the company's director-general, said recently. "Bat we are also a world-wide company with much to offer not directly connected with Spain."

In amplifying its connections — it flies to 19 Latin American cities — Iberia recently spent £16m revamping its services throughout Europe. The improvements are directed mainly at the high-yield, first- and club-class passenger.

British to import Innocenti mini car

By Kenneth Gooding, Motor Industry Correspondent

THE INNOCENTI mini car, made in Italy but using a Japanese engine, is to be imported into Britain hy a subsidiary of the Tozer Kemsley and Milbourn international trading group.

Nuovo Innocenti was once owned hy BL. It was taken over and restructured in 1976 by Argentinian industrialist Alessandro de Tomaso and completely severed its links with the UK group in October, 1981.

Innocenti has switched from using mechanical components from the BL Mini to a three-cylinder, 1-litre engine and e transmission supplied by Daihatsu, one of Japan's smaller automotive companies but which is closely allied to Toyota, the biggest. The engine and transmission are also used in the Daihatsu Charade.

TKM has the franchise for Daihatsu cars in Britain and next year its Daihatsu (UK) subsidiary will begin importing the Innocenti mini as well.

Mr Laurence Kemmish, managing director of Daihatsu (UK) says his company expects to sell about 3,000 of the Innocentis in the first year. Ultimately it aims for annual sales of around 5,000.

The Italian cars will be sold through the 140-strong Daihatsu dealer network which is used to servicing the engine and transmission.

In Britain, Daihatsu has been restrained from expansion by the voluntary agreement on car shipments from Japan. Last year 4,743 Daihatsus were registered, up from 3,059 in 1981.

So, if Innocenti sales live up to expectations, they will provide both the importer and its dealers with a considerable boost in volume.

Although Innocenti had its own dealer network in Italy, in other Continental markets it relied on BL to distribute its cars. The Innocenti version of the Mini, a hatchback designed in the mid-1960s by Bertone, was never sold officially in Britain.

Daihatsu is supplying Innocenti with about 20,000 engines and transaxles a year and has agreed that its dealers on the Continent should distribute the cars.

In 1980 Innocenti's car output was nearly 40,000 but it fell steeply following the break with BL.

TKM from 1971 to 1979 had the highly-lucrative BMW car and motor cycle franchise in Britain which the German group took over itself three years ago. And, until last autumn, it also had the import franchise for Jeep.

TECHNOLOGY

EDITED BY ALAN CANE

SEIKO JOINT VENTURE MOVE INTO UK

Time for computers

BY ELAINE WILLIAMS

SEIKO, the world's largest watch manufacturer is proclaiming that its time has come in computers. In June it will launch the first of its products in the UK only nine months after it set up a joint venture with a U.S. company to develop business computers.

The joint venture company, Sci-Com Computer Systems, introduced the computer in the the U.S. at the end of last year but is already turning its sights on the European market. SMC Scicom is 64 per cent owned by the U.S. software specialist company, Science Management Corporation. The remainder of the *equity* is *owned* by K. Hattori, the Seiko holding group, Seikosha—the computer manufacturing and watchmaking arm of Hattori and Tokyo Boeki.

Development

Science Management Corporation (SMC) provides the software expertise while Seiko uses *its* precision *engineering* skills to manufacture the computers in Japan. A total of 300 people are already involved with Sci-Com in the two organisations and more than U.S.$1m has been spent on the new computer's development.

The team has come up with a multi-user 16-bit computer which is aimed at the business market *to carry* out a wide variety of tasks from accounting and business graphics to decision-support systems. Sci-Com *believes* that *most* types of organisations can use the systems, *which start* at about £7,000 for the simplest configuration.

A new company has been set up in the UK to distribute the Seiko 8600 range of multi-user desk-top systems. Synchronised Computers is headed by Mr John Clarke, who has had wide experience in most areas of the computer industry.

Mr Clarke said that his company would aim to provide a comprehensive support for the new computer range both in terms of hardware and software. The computer has been designed to be extremely easy to maintain — no tools are required to remove *faulty parts*; they just pop out of the machine easily. Even modifications and expansions to the system are performed in the same way.

Also, the computer allows companies to choose from six different operating systems including UNIX, MP/M86, MBOS, OASIS-16, and CP/M and six programming languages are available.

Seiko's original idea was to sell its existing range of desk top machines aimed at the industrial market to the U.S. when it approached SMC. However, SMC felt that this was not the right direction for the company and suggested that a business machine would be more *appropriate because* of the expanding market in this sector.

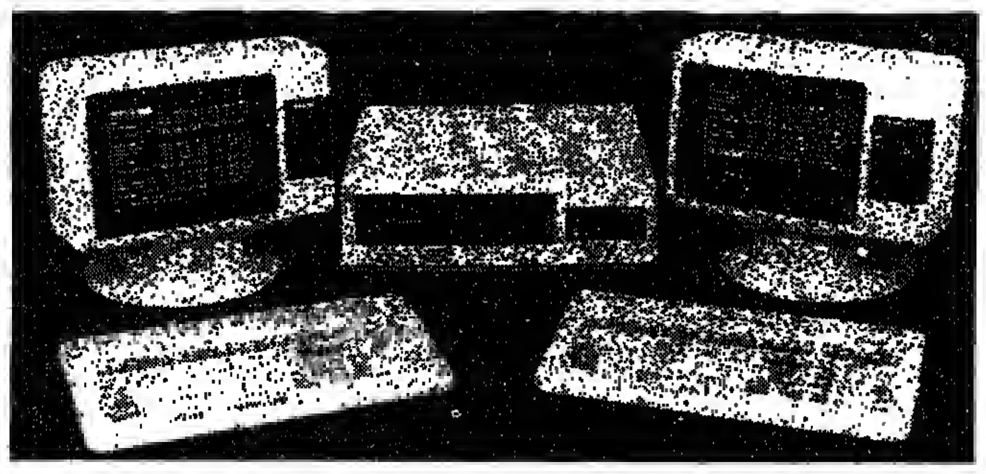
THE SMALLEST configuration of the Seiko 8600 computer allows an individual user to have business, accounting and word processing facilities. This is expandable to four users with each display terminal dedicated to different *tasks* within an office or department.

The machine is a 16 bit computer based on the Intel 5MHz 8086 microprocessor, which offers up to 512Kbytes of random access memory (RAM). A variety of floppy and hard disc options are also available. For example, it is possible to have one floppy disc system capable of storing 640Kbytes of information and a hard disc with a 10Mbyte capacity.

Communications between the computer and the visual display units are via the RS232C standard interface. The company has considered that low maintenance is an extremely important aspect of the computer's design so that it has made every part of the computer simple to replace and there are built in self checks to test for *faults*.

Inside the machine, the 128K memory expansion circuits are packaged in sealed plastic cartridges so that they are simply lifted out of the sockets. The floppy or hard disk drives are held in place by a cable connector.

With six different computer operating systems, Seiko believes that it has covered most customer tastes. For example, the option of the MS-DOS *operating* systems means that the 6800 is compatible with the IBM personal computer.



The Seiko 8600 Series business computer system is built around the Intel 8086 microprocessor and can support six operating systems

CONTROLS

Mobile demo

J. H. FENNER and Co (Power Transmission) of Hull has launched a number of new electric motor control systems and is about to take them around the country in a mobile demonstration vehicle.

Fenner, which also has plants in Germany, Sweden, Finland, South Africa, New Zealand, India and more recently in the U.S., first launched an AC controller in 1980, for motors up to 7.5 kW—a device which, it claims, was the first microprocessor based AC unit to go on the UK volume market.

Now, a new controller for motor powers up to 1.5 kW has been introdured employing rather less sophisticated techniques—and somewhat lower price levels. As Stanley Parker chairman, *puts* it: "Customer reaction to high technology is only positive if the benefits can be quantified in his terms."

The controller is one of the results of a £5m investment programme by the company in the UK and U.S. One of the moves was to increase the chopping *frequency*, resulting in a reduction in size of certain important components and the elimination of a bulky output capacitor. As a result, the device is also more reliable.

In addition, the use of a microprocessor has allowed the output characteristics of the controller to be optimised, *particularly for energy saving* when the motor is idling.

At the same time the company has developed a digital 0.375 kW DC motor controller in the U.S. and has also brought to the market a speed monitoring device called Accutrim.

The latter can be used to control AC or DC motors to improve significantly on the *normally expected* speed holding abilities when significant load changes occur.

Other new devices from Fenner will, for example, allow full motor torque to be developed during starting for an adjustable time period. After that, a limiting overload torque control takes over to prevent damage to driven machinery.

The logic *circuits* also allow short period torque transients to be accommodated, again for a set time period, avoiding unnecessary production stoppages when a minor mechanical restraint occurs. More on 0482 781234.

GEOFFREY CHARLISH

IBM LAUNCH MARKS TREND TO MULTIFUNCTION

U.S. assault on Japanese personal computer market

BY ROY GARNER IN TOKYO

THE launch of a new personal *computer in Japan in* March by IBM Japan, represents the start of a full-scale assault on the fast growing Japanese "*pasocon*" *market* by the leading U.S. marker. It could also mark the beginning of a wider trend within the personal computer field *towards* "multifunction" equipment capable of offering such facilities as word-processing and an "on-line" *configuration* in addition to the conventional personal computer functions.

The new 16-bit machine is *called the IBM 5550* multistation and, in terms of marketing, approximates to the IBM personal computer on sale in the U.S.

The 5550 is officially described as a "multifunction, very small computer system." and differs from current "pasocon" market products by offering three-way functions as a stand-alone personal business computer, a Japanese word-processor or an on-line terminal, together with a variety of minor features developed for the local market.

It uses an Intel 8086 CPU, offers 256 kbytes of standard memory, expandable to 512 kbytes, and can be supported by up to three 5¼-inch auxiliary storage diskettes. Prices range from Y990,000 for the basic system to Y3,050,000 for the top-of-the-line configuration.

Mr Richard Morris, a senior spokesman for IBM Japan, said that the combining in one machine of several functions *important for* business applications is a departure from the "separate boxes" of conventional systems, but stressed that *IBM was not prepared* to say at the moment that this signals a new trend.

He noted, *however*, that a move towards multifunction capabilities was already discernible in the development of two other IBM computer products: the "displaywriter" which evolved from principally word-processor functions towards basic computing tasks, and the System 23, the company's smallest business desktop model, which started off as a business computer and later *had* word-processing functions added. Both products have also acquired communications functions as supplementary features.

The launch of the 5550 has *aroused considerable interest* among the Japanese, who have been impressed by the speed and scale of the U.S. company's *adaptation to local market* conditions, and its readiness to enter into partnerships with Japanese enterprises. Most of the hardware *for the 5550 is* being manufactured by Matsushita Corporation, and the Japanese sales network has been expanded from 21 to 40 outlets to coincide with the new product launch.

The *provision* of high level Japanese word-processing functions also appears to satisfy a key demand of the business *community*. It *is too early yet* to assess the potential demand for the IBM 5550 in the very competitive Japanese personal computer market, but one distributor, Nihon Business Computer Sales, says it is aiming for 2,000 unit sales in the year from this month.

GAS TURBINE RESEARCH PROGRAMME

Work on Cost 501 about to start

WORK on one of the largest collaborative research programmes in Europe is about to begin. It is Cost 501, a project aimed at developing high temperature materials for use in the gas turbine industry.

A total of 75 organisations throughout Europe are involved in the programme which is partly funded by individual national governments. Companies, *research* institutes and universities can obtain up to 50 per cent funding for the development work in the UK, for example.

European collaboration on gas turbine developments started in 1972 with a project called Cost 50. This involved 36 organisations including companies such as Rolls-Royce, SNECMA, GEC and Brown Boveri. The aim of the research, though never openly stated, was to provide strengthened European gas turbine technology so that it could compete more effectively against the U.S.

This original programme is still running and deals mainly with common gas turbine problems such as thermal fatigue, high temperature corrosion, and alloy development.

Such was the success of the collaboration that it was decided to go ahead with another phase of the project, Cost *501*, which looks at the wide range of high temperature materials. This is expected to last between three and five years.

Dr Tom Gibbons, at the National Physical Laboratory's division of materials applications, who is involved with the project, said that an advantage of the collaboration to *companies such as Wiggin Alloys in* the UK, Thyssen in West Germany and Creusot-Loire in France is that new products can be evaluated rapidly by shared test programmes.

As users of materials are also involved in the programme it is possible to ensure that the new materials are used in the appropriate application.

Dr Gibbons said that the work is usually of a medium to long term nature so that problems associated with patents and property rights between groups of collaborators have generally been avoided. Most EEC countries are involved in the work plus Sweden, Austria and Switzerland.

A management committee co-*ordinates* the *activities* of organisations in different countries and experts in specific areas can also ensure that research is not duplicated. Participants share the information through written papers and *meetings*.

Dr Gibbons said that gas turbine materials technology had specific problems to overcome and there was constant pressure to produce faster gas turbine engines at an economical cost.

ELAINE WILLIAMS

Software

Hotel systems

HOSKYNS, which has supplied some 200 hotel computer systems since it entered the market in 1978, has introduced a new design with improved software. The first installation is to be at Thistle's 320-room Kensington *Palace Hotel*.

The system will operate on any DEC computer, from the new personal machine through to the PDP 11 and VAX range. Hoskyns says in addition that it can now operate identical software on single user systems with hardware costing £5,000 at one extreme to systems supporting "hundreds of on-line terminals" at the other.

Comprehensive coverage is provided of reservations, room management, registration, guest accounting, departure, financial analysis, forward room analysis and the system also looks after sales, purchase and general ledgers. More on 01-242 1951.

File access

Intergraph network

INTERGRAPH, the computer aided design specialist, can now network its workstations via Internet, developed to provide inter-system file access and transfer.

Using Internet, workstations and hosts can be linked in a continuous loop *extending* to 6,000 *feet*. An additional line between workstations and the designated host data processing system *allows direct* dedicated communications at up to 10,000 feet.

Both lines have a data rate of *two* million bits per second and Internet operates locally at 2m baud and remotely at speeds up to 56,000 baud. More on 0635 49044.

The U.S. is taking a new look at an old ritual, **Reginald Dale** reports

Williamsburg may be different

THIS TIME, it's all going to be different. That is the determined intention of the Reagan Administration as it gears np to host the next world economic summit meeting, the ninth such gathering of the leaders of the seven major Western nations, in Williamsburg, Virginia, 2½ hours drive south of Washington.

In what has become an annual ritual ,the Presidents or Prime Ministers of the U.S., the UK, France, West Germany, Italy, Canada and Japan will meet in what is meant to be a secinded setting to discuss the world's, and their own, problems.

The Americans say that they have learned their lesson from past summits, at which they feel bureaucrats were allowed to hijeck the meetings from the leaders who were meant to be making the running. The Heads of Government have become obliged to negotiate details of communiques and technical issues which they did not even know they were going to be confronted with, the Americans believe.

This time, they say, they do not plan to present the leaders with a pre-drafted communique, although there will be a "statement" at the end. The plan is to leave it to the leaders themselves to decide what they want to say, and then ask their Ministers and officials to work through the night to get it right. That would fly in the face of nearly all past precedents, and the Americans themselves confess that they are not totally sure that it will work.

Part of the reason for the new approach is the nostalgia of Mr George Shultz, the Secretary of State, who was sent as a personal representative by President Gerald Ford to prepare the ground for the first summit in Rambouillet, outside Paris, in 1975. That meeting was the nearest that the Western leaders ever came to the informal private gathering that they said they were aiming for, and is generally rated one of the most successful.

Since then, the meetings have progressively degenerated into media events, in-which the partielpants have found themselves trapped not only by their own officials but by the vast caravanserai of the world's Press into performing on the public stage. It is too tempting to know that they can step outside, make a few remarks in front of the television cameras, and get maximum publicity back home.

Not infrequently, they say things to the Press that are quite different from what they said in tha meeting, but who is to know at the time? The greatest temptation is to appear on television in the company of the other participants, drumming home the image of world statesmanship.

The second reason for such appearances is to explain to the domestic voter what on earth they are doing in a usually exotic location at the taxpayers' expense — particularly as prior expectations are usually raised much higher than actual results.

The Americans are fully aware of the risk. Indeed, they have almost masochistically exposed themselves to it by choosing colonial Williamsburg as the venue. Tha old town, founded in the early 17th century and painstakingly restored with the aid of Rockefeller money, is a picture postcard setting.

On a normal day in the tourist season, you may come across an actor dressed in 18th century costume riding down the main street pretending to be the sheriff or watch a competitive display of Brown Bess musket and rifle-shooting, intended to underline the prowess of the American sharp - shooters against the red coats in the War of Independence.

The place looks like a stage television set, and it is hard to avoid the impression that this is one of the reasons why President Ronald Reagan, who has never really stopped being an actor, will feel at home there. It is his summit, and he wants to make the most of it.

His officials say, however, that he will not bend over backwards to make it a media success. The subjects for discussion — still only vaguely defined—roughly divide into a discussion of world macro-economic trends and East-West economic relations. The White House feels that in public relations terms Mr Reagan is almost in a "no-lose situation."

He can either come out showing that he has persuaded his cantankerous allies to toe the American line, or he can decide to stir up a row in which he tells them (the Europeans in particular) where to get off—always good for a few political points in the U.S. Mr Reagan originally asked his officials to find a site in his beloved California, but they reported that they were unable to find a place that could house the number of people involved and be surrounded by a tight enough security sereen. Between 6,000 to 8,000 people are expected.

Mr Allen Wallis, the State Department official responsible for preparing the ascent to the summit, a "Sherpa" in summit jargon, puts it this way: "Each head of Government will have his or her own colonial house and they can talk over the back fence.

The atmosphere, officials say, will be "simple and American-style," and "anything but grandiose." That is an obvious dig at President Francois Mitterrand's decision to hold last year's summit in Versailles, which the Americans cannot remotely match.

The Americans, however, are deadly serious about wanting to make it a more intimate occasion. The meeting lasts from Saturday evening on May 28 to midday on Monday May 30, so there will only be about six or seven hours for meeting around a table, not counting meals. If meals are added in, the Americans plan to have the leaders meeting totally on their own—with no other Ministers or officials, only interpreters when necesary—for something over half the time. The Americans believe that in the past Foreign and Finance Ministers, who are also regular guests, have ben hovering far too close.

The "Sherpas" have already met twice, once at Saint Cloud on the outskirts of Paris in December, and again in San Diego, California, earlier this month. They are to meet again in mid-April in Williamsburg, to get the feel of the place, and in mid-May in Washington. They all know each other well, and American officials describe their meetings as "intense bnt casual."

The American hosts say that they want a real, free-ranging discussion. They say, the agenda has been far too structured in the past, creating artificial divisions between subjects that are closely inter-related. They do not want decisions to be negotiated or deals done.

The issues that made the Versailles summit a retrospective disaster, essentially differences between the U.S. and its allies about their political, economic and commercial approach to the Soviet Union—have not gone away. Ideally, the Americans would prefer a genial success to a blazing row. The problem is that we have heard it all before. Nearly every summit host has started out with the same intentions of assuring an intimate atmosphere, and nearly all have failed in the end.

The historic Capitol Building in Williamsburg, site of the original Virginia legislature

Reagan calculates on new defence budget 'flexibility'

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT RONALD Reagan appears to have found a way of showing the "flexibility" he promised on his defence budget without seriously endangering his arms build-up.

The calculation is that several billion dollars can be cut from the budget over the next few years if a less expensive basing system can be agreed for the new MX intercontinental missile.

Mr Reagan's special commission studying the various basing options is to report next week, and Mr Reagan is expected to follow its recommendations closely.

The commission is expected to propose that 100 MX missiles be placed in existing Minuteman silos, with immediate studies of a new, much smaller mobile missile known as "Midgetman."

The use of existing silos would be considerably eheaper than building the new "dense pack" system of closely-clustered silos that Mr Reagan originally suggested. The White House yesterday indicated that it would allow $8bn to $10bn to be shaved from Mr Reagan's original military spending plans over the next five years.

The new basing system, however, would probably only save about $2bn in the 1984 defence budget, currently the focus of a major battle in Congress.

It will certainly not satisfy the Democrats in the House of Representatives, which has passed a budget providing for a real increase of only 4 per cent in 1984 defence spending, against the 10 per cent sought by Mr Reagan.

It will almost certainly not be enough either for the Republican-dominated Senate, which is looking for an increase of about 5 per cent. Mr Reagan proposed an increase of about $30bn in the 1984 budget from $208.9bn in 1973 to $238.6bn.

The lame-duck session of Congress at the end of last year voted against placing the MX in existing silos and withheld almost $1bn in production funds until an adequate basing system is agreed.

However, the administration is now more confident that it can get the missile through Congress, particularly as the special commission has consulted closely with congressional leaders in drawing up its proposals.

Chilean rescheduling deal near completion

BY PETER MONTAGNON IN LONDON

CHILE was reported yesterday to have reached a tentative agreement with its leading foreign bank creditors on terms of an eight-year rescheduling of debt maturing this year and next and a new loan of up to $1.4bn.

Final details of the agreement, which was reached late last week with a group of banks chaired by Manufacturers Hanover, still have to be worked out. It is understood that talks will continue at the end of this week between Chilean Government representatives, the International Monetary Fund and the creditor banks.

But as terms of the agreement began to emerge yesterday, it appeared Chile had won more new money from the banks than previously expected.

Two weeks ago Chile was known to be seeking only $1.2bn. Yesterday bankers were talking of an amount that could reach almost $1.4bn.

In return, Chile is understood to have agreed to pay rather high margins of 2¼ per cent over Eurodollar rates or 2⅛ per cent over the U.S. prime rate.

These margins would apply to both the new loan and the rescheduling which would both have a final maturity of eight years with repayments beginning after a grace period of four years.

Still unclear, however, is the degree to which Chile will formally accept responsibility for the debt of its private financial sector which has borrowed much of the $3.5bn that is to be rescheduled. Some bankers suggested yesterday that the Chilean state would promise little more than moral backing for its banking sector, with individual rescheduling agreements to be signed with each separate private sector debtor.

Manufacturers Hanover declined yesterday to comment on the state of the talks, which began more than a week ago and broke off briefly for the Easter weekend. Official confirmation of the agreement is not expected at the earliest until the next round of talks is completed at the end of this week.

Invaders repelled, Nicaragua claims

BY TIM COONE RECENTLY IN NUEVA SEGOVIA, NICARAGUA

NICARAGUAN army officers claim that two of the counter-revolutionary "task forces" numbering around 600 men that entered the northern department of Nueva Segovia in February have been virtually destroyed.

The head of military operations in the region said that 190 of the anti-Sandinista forces had been killed and a similar number wounded. The remainder had been split up and were being hunted down. Approximately 100 had escaped back into Honduras, he said.

A two-day trip through the Nueva Segovia province made it clear that the Sandinistas are in full control of the military situation there and that claims by the counter-revolutionaries that they had taken key towns and controlled territory in the province have been grossly exaggerated.

No military posts or towns showed any signs of attack and the morale of the Sandinista soldiers and militias was clearly high. It seems the guerrillas have limited their activities to mounting ambushes along lonely roads and attacking isolated outposts.

No figures have been given of Government troops in the region, but it appears that some four or five battalions are stationed in Nneva Segovia, suggesting between 4,000-5,000 soldiers and militia defending the province.

● On Monday, Sr Tomas Borge, Nicaragua's Interioc Minister and other officials from the Foreign Ministry and Security Services met with their Costa Rican counterparts to discuss the delicate state of relations between the two countries. Costa Rica has been complaining about Nicaraguan harassment of Costa Rican travellers on the San Juan River which separates the two countries, while Nicaragua has been complaining of the infiltration of counter revolutionary forces, across the river into Nicaragua. A leader of the counter-revolutionary group Udn-Farn recently admitted that they had been infiltrating their troops into Nicaragua from Costa Rica for the past eight months.

Venezuela enforces law to combat corruption

BY KIM FUAD IN CARACAS

VENEZUELA has put a controversial anti-corruption law into effect obliging the nation's estimated 1.2m strong public workforce to declare all personal assets. The law provides for fines of up to $100,000 and 10 years' imprisonment

The law—"to safeguard public patrimony"—covers offences ranging from outright stealing of public funds to negligence in care of public properties. Its creators describe the law as the most complete body of rules of conduct for public servants ever legislated.

Venezuelan congressmen Henry Ramos Allup and Gustavo Tarre Briceno drafted the law to counter "increasingly more sophisticated forms of corruption in Venezuela," according to Sr Ramos.

The law, which is directed at all public officials, elected or designated, as well as private companies and individuals on contract to the Government or acting ad Honorem.

● Provides for a sworn declaration of all personal assets upon taking public post and immediately after leaving it;

● Authorities the comptroller-general to verify sworn declarations to the point of inspecting safe deposit boxes if necessary;

● Defines all manner of offences from outright stealing of public funds to "every other violation of legal or reglamentary dispositions not expressly foreseen in the law;"

● Establishes a special "tribunal to safeguard public patrimony" to enforce the law.

ENERGY REVIEW

Romanian self-sufficiency may be a pipedream

By David Buchan

JUST AS energy has been the key to Romania's recent economic problems, so it is the key to their solution. The past year has seen a big swing in the country's external financial position, from liquidity crisis to sizeable trade surplus. But Romania's creditors, the International Monetary Fund, Western governments, banks and companies, are all watching to see if this improvement can be sustained through President Ceausescu's ambitious energy programme.

This involves boosting domestic oil production, slashing oil imports, switching electricity generation away from burning oil and gas to heavy reliance on coal and nuclear power. Mr Ceausescu, who frequently verges on the visionary, has said he believes Romania can be self-sufficient in energy by 1985 or shortly thereafter. Many observers consider this fanciful. Professor Marvin Jackson of Arizona State University, a noted specialist on the Romanian economy, notes that the critical goal of cutting oil imports depends crucially on a big leap in coal extraction, the most trouble-racked sector. But the Romanian leader has at least indentified energy as his country's core problem.

Romania has lived off its hydrocarbons for a very long time. Its first oilfield, with manually dug pits, dates from 1856, and Romania was the first country to introduce gas lighting and, later, oil-generated electric lighting in some of its streets. Flattened by Allied bombing in the Second World War, the oil fields were rebuilt to provide, after 1965, the base for Mr Ceausescu's ambitious industrialisation.

But oil output peaked in 1976 at 14.7m tonnes (see table), forcing Romania to buy more cruda from abroad, as much as 16m tonnes in 1980. Some of these imports have come from the Soviet Union, but paid for in dollars at world prices. Romania effectivaly cut itself out of the advantageous system whereby other Comecon countries buy Soviet oil for roubles at the special, low intra-Comecon rate, by refusing in the 1960s to join wholeheartedly in Comecon specialisation programmes. Romanians now rue this, and bave insistently asked Moscow to let them have "rouble" oil. But there is no sign yet of the Kremlin agreeing.

Thus, the Romanians have had an increasing problem in fuelling their big refining, chemical and petro-chemical industry, with an annual through-put capacity of 32m tonnes now. This has been compounded by the perverse behaviour of world crude prices often rising faster or (at present) falling slower than refined product prices. The upshot has been that, until at least very recenty, Romania has been making a foreign exchange loss for every barrel it has imported, refined and re-exported.

SOURCES OF ELECTRICITY GENERATION

Figures in percentages

	1981	1990
Hydro-electric	18	23.7
Nuclear	—	21.6
Coal	25	41.2
Oil/gas	50	5.2
Solar/biomass geothermal	1.8	4.3
On-site industrial generation	5.2	4

Source: Romanian Ministry of Power

To overcome this, the Romanians have set themselves three tasks:

● Domestic oil production is being increased from 11.7m tonnes last year, to 13.5m tonnes this year, 14m tonnes next year and 15m tonnes in 1985. Most of this increase, the Romanians claim, will coma from new and deeper well drilling. Drilling will go from a maximum of 6,000 metres to a new depth of 8,000 metres, and in the process it is hoped to find more gas to sustain prodnction which has stayed fairly steady at 30bn cubic metres a year.

Romania is also trying to scour more oil out of its older fields. It makes all of its regular drilling gear, and happens to be the world's second biggest exporter of drilling equipment, behind the U.S. But enhanced recovery has required the import of some specialised equipment, for which Romania got a $101m World Bank loan last year. The Romanians have given no details of what offshore exploration has turned up in the Black Sea. But Dr Nicolae Nicolescu, chief of oil production at the Petroleum Ministry, says it is in commercial quantities and production should start in 1984-85.

● Conservation is being encouraged with higher petrol prices and limits on Sunday driving, as well as by more general measures including the unenforceable, and unenforced, decree requiring bouseholders to use only one lightbulb per room.

Since 65 per cent of all energy in Romania is consumed by industry, the measures there are more important. Mr Dimitriu Iustin, the deputy chemicals minister, says only 16m tonnes of oil is to be used this year for refining, chemicals and petro-chemicals to fill domestic needs, compared to 18m tonnes last year. "We want to use that 16m tonnes as well as possible," he says, and he would like Romania to move more into the area of higher value, lower tonnage products.

● Imports of oil are to be cut. By how much is not clear. Romania has recently circulated to its Western bank creditors a memorandum stating that imports will be a mere 1.5m tonnes this year. This is somewhat misleading. Dr Iulian Bituleanu, the deputy finanee minister, explains that the 1.5m tonnes is just to cover basic domestic needs.

"The sole criterion for importing any more than this is whether we judge it to be profitable," he says. This will involve keeping a closer eye on the relation between world crude and product prices. Clearly, should the oil product market continue to be unfavourable, Romania (with perhaps 13.5m tonnes of its own oil but only 1.5m tonnes imported) may see utilisation of its massive refineries drop below 50 per cent in coming months. But that, everyone now agrees, is better than losing dollars hand over fist. Dr Bituleanu adds that Romania hopes to take more oil from the Soviet Union, China and the Middle East on a barter basis this year.

ROMANIA'S SEESAWING OIL BALANCE

Figures in millions of tonnes

Year	Production	Imports	Year	Production	Imports
1975	14.6	5.1	1979	12.3	14.3
1976	14.7	8.5	1980	11.5	16.0
1977	14.7	8.8	1981	11.6	12.9
1978	13.7	12.9	1982	11.7	10.9

Source: Official Romanian statistics

A key factor in putting Romania's oil sector financially into the black is reducing the share of electricity generated by oil and gas to 5 per cent by 1990 (from 50 per cent in 1981). This hope of the Bucharest planners depends, of course, on other energy sources taking up the slack (see table). And this is where real doubts creep in.

The *Ceausescu* Government has a record of eetting Stakhanovite coal targets which its miners do not and cannot meet. Output last year was 37.8m tonnes, when it was supposed to be 44m tonnes. The 1983 target of 52.2m tonnes is likely to be even further removed from reality. Part of the problem is bad conditions underground. Mr Ceausescu publicly admitted last December there had been "a number of fairly grave accidents which seriously affected production." Aware perhaps of the risks of pushing miners into open defiance, the President bas set them a new work regime, sbortening hours for those in the toughest mines. On the other hand, he reminded them that, as for all Romanians these days, pay was tied to results and there was no longer a guaranteed minimum of 80 per cent of salary.

Much of the coal increase is supposed to come from opencast strip mining. But even here there have been production problems, with stories of equipment breaking down and pits flooding. Skilled miners and machine operators are in short supply, on Mr Ceausescu's admission, and even students have been sent to do "patriotic work" in the mines.

The problem with the nuclear programme, which will one day have an interesting mixture of Canadian and Russian technology, is one of delay. Atomic Energy of Canada (AEC) is now building two Candu reactors at Cernavoda of 660 Mws each. The Romanians say they bope the first will be operational in 1985; the Canadians say 1988 is more realistic. Part of the delay is due to a Canadian Government freeze on the $650m credit for the Romanian purchase of Candu equipment and technology, because of Romania's recent financial problems. There is also a questionmark over provision of an Export-Import Bank credit for Romanian purchase of turbines, which General Electric of the U.S. is providing along with Ansaldo of Italy.

Once the Cernavoda reactors (there are to be five eventually) are built, the Romanians are confident that they can go ahead and build more Candu-type reactors virtually by themselves in Transylvania. Coupled with the Russian-pressurised VVER reactors which the Soviet Union last year contracted to build in Moldavia, this will give Romania a substantial input from nuclear power by the end of the century. But in the shorter term the contribution of nuclear power to Romania's energy balance looks as uncertain as that of coal.

Magnox power station exports sought by UK

BY A SPECIAL CORRESPONDENT

BRITAIN'S National Nuclear Corporation (NNC) is making efforts to export a smaller version of the well-tried Magnox power station.

The NNC faces a critical shortage of business in a few years' time and is pinning most of its hopes on a go-ahead for the Sizewell B pressurised water reactor (PWR) and the eventual development of a commercial fast breeder reactor in Britain.

The NNC believes the Magnox unit has better immediate potential for export than the advanced gas-cooled reactor, the domestic performance of which will not become clear until at least 1990.

A British PWR would be a strong contender in the export market but until at least one plant is built and expertise is proven, the potential is small.

In the meantime the NNC is concentrating on trying to export a 300 Mw Magnox unit to countries where the economy cannot justify a bigger plant. Turkey is among those currently interested.

Previous experience has shown that developing countries have difficulty in raising the necessary finance and the NNC also faces competition from Framatome and Kraftswerk Union.

A decision on Sizewell B is not expected for a year at the earliest and Dr Ned Franklin, NNC managing director, told the public inquiry last week that tha corporation needs one nuclear plant order every three years to maintain and improve its expertise.

The present world recession has reduced expectations of orders for nuclear plant. In some Western countries there are also anxieties over safety, but future exports of plant are still expected to be dominated by the PWR.

The NNC knows that British companies would not risk the expense of creating specialised manufacturing equipment and facilities for tha coolant system, including the pressure vessel, unless they were assured of a domestic PWR programme.

For Sizewell B the contract for the coolant system will go abroad, with British companies involved only as fabricators. Other equipment and facilities will, however, be provided by British concerns.

The unlikelihood of a domestic programme of PWRs in the foreseeable future has been confirmed at the Sizewell B inquiry by the Department of Energy, which has stressed that power stations are to be ordered on a step-by-step basis.

In any case, NNC's wish to export a PWR package will be subject to Government approval in view of its ratification of the Nuclear Non-Proliferation Treaty.

Agreements have been made between the NNC and Westinghouse, the Bechtel Corporation, the Standardised Nuclear Unit Power Plant System utilities and Nuclear Projects Inc in the U.S. in order to obtain PWR information. The PWR joint project includes members of the Westinghouse and Bechtel on secondment to NNC and under its direction.

The contract between the CEGB and NNC over the management of the Sizewell B site, now in draft form, is likely to be finalised in the next few months.

Good progress has been made in negotiations with the CEGB and the NNC is likely to have overall control of the site as agents of the board.

UK NEWS

Lloyd's urges reform of agencies

By John Moore, City Correspondent

LLOYD'S underwriting agencies, the groups which look after the affairs of 21,600 members of the Lloyd's London insurance community, should be owned and controlled by members of the market and not by outsiders.

That was the main conclusion of an internal study prepared on the future of the underwriting agency system within the market published yesterday by Lloyd's.

This study was prepared largely at the instigation of the House of Commons in 1981 when a Select Committee was studying Lloyd's proposed legislation for improving its self-regulation.

During the passage of the Lloyd's legislation, Parliament identified conflicts of interest between insurance brokers, the buyers of insurance, and underwriting agencies which manage Lloyd's underwriting syndicates, the sellers of insurance.

Partliament insisted that the Lloyd's legislation should demand that brokers sell their shareholding links with underwriting managing agencies within five years.

While Parliament did not insist that brokers should sell their shareholding links with the agencies which introduce members to Lloyd's syndicates – the members' agencies – it said Lloyd's should carry out a review of the underwriting agency system.

The working party has taken steps to see that the brokers' influence in the affairs of members' agencies is curbed. If brokers are to remain in control of these agencies they should be strictly limited in the amount of membership they can produce for any one syndicate.

Lex, Page 14

Weak pound puts brake on chemical imports

BY CARLA RAPOPORT

HEAVY IMPORTS of bulk chemicals, which cut into the UK industry's market between 1979 and 1982, have slowed down recently because of the *weakness of sterling*.

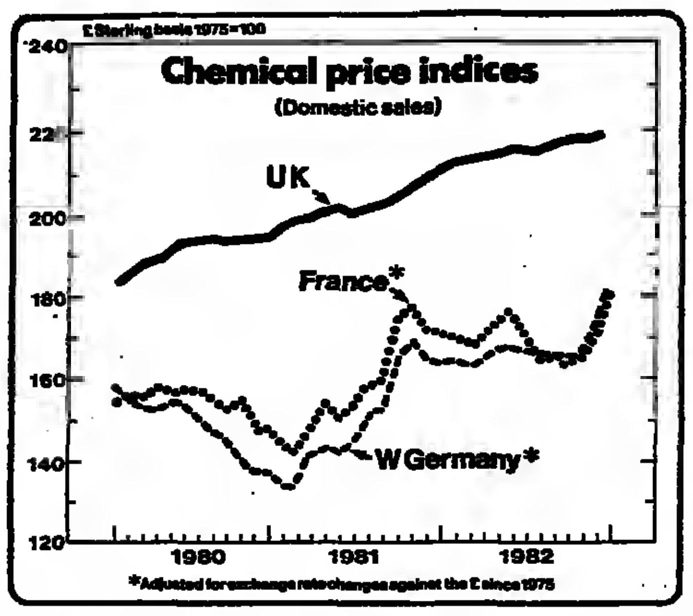
Statistics released by the Chemical Industry Association (CIA) show that import penetration in the inorganic chemical market grew from about 38 per cent in 1979 to nearly 50 per cent in the first nine months of 1982.

Imports of organic chemicals grew from less than 50 per cent to more than 66 per cent.

The main reason for these gains was the strength of the pound compared with other EEC currencies. The association says that the volume of chemical imports increased by 6 per cent last year, accounting for 39 per cent of the overall market in the UK for chemicals.

The recent fall in sterling has helped ease the pressure on the UK industry. The CIA reports that import volume over the three months from November to January has been almost flat.

However, the UK industry has managed to increase its exports. These show an overall 3.5 per cent increase in export volume last year.



As a result, the overall favourable balance of trade was maintained last year at £1.9bn despite the rise in imports. The balance of trade with the EEC showed an adverse balance of about £170m.

The CIA predicts that chemical exports from the UK should increase overall as a result of the decline in world oil prices.

Over the past three months, export volume increased by 4.5 per cent in part due to the improved competitiveness of the UK industry.

Civil Service union presses for strike

BY IVO DAWNAY, LABOUR STAFF

LEADERS of Britain's largest civil service union are to campaign for a rejection of the Government's 3.5 to 5.5 per cent pay offers and for an all-out strike, despite the recommendation of acceptance by union negotiators last week.

The decision came when the Civil and Public Services Association's left-dominated executive voted by an "overwhelming majority" to fight a settlement with rallies across the country. These would be followed by a consultation exercise scheduled to end on May 6, the weekend before the CPSA's annual conference.

A statement released by the union said: "The National Executive Committee have decided to campaign for rejection because the settlement does nothing to improve the position of the low paid."

This militant stand is certain to be greeted with scepticism in some quarters of the union, however. The timing of the action ensures that it will have little influence on the outcome of the union's elections which determine the political flavour of the leadership over the coming year.

Few civil service observers believe there is any likelihood of a majority backing for strike action of any kind.

Unions back plan to end Ford strike

THE MONTH-LONG strike at the Ford car plant at Halewood, Merseyside, which has cost the company almost £87m in lost production, is likely to be called off by the end of this week.

Union leaders are to recommend a return to work at mass meetings this week on the basis of a peace *formula worked out at Acas*, the conciliation service. This called for an independent inquiry into the cause of the stoppage – the dismissal of a worker for allegedly damaging an 86p bracket in a finished car.

Ford said yesterday that its Sierra model became Britain's best-selling car in March with an estimated 10.5 per cent of the market.

Theft losses soar

INSURANCE companies operating in the UK last year paid out a record sum of £234.1m on theft losses, nearly 30 per cent higher than the previous year.

Engineers strike

BRITISH TELECOM engineers yesterday began their campaign of selective industrial action in protest at the Government's plans to privatise the service. They withdrew staff at the Bank of England and in Whitehall.

BBC lead increases

THE BBC has increased its lead over its rival TV-am in the market for breakfast television audiences. Figures published yesterday for the week to March 27 show that the average weekday audience for BBC breakfast television was 1.8m, an increase of 100,000 and a new audience peak. For the same period the TV-am audience stayed at 400,000, the same as the previous week.

Blow for defence cuts as warships are reprieved

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE BRITISH Government's plans to cut back the Royal Navy in an effort to control defence spending has received a further setback over the *past few months* as the costs of defending the Falklands have become clearer.

According to official figures, all but one of the 19 warships due for retirement from active service over the *next two years have been reprieved and will be kept in the fleet*, mostly for at least two extra years.

The 18 ships, nearly all frigates, are being kept partly as replacements for the four ships lost and several others which were damaged in the Falklands conflict last year.

But the effort of garrisoning the Falklands as well as meeting Britain's other naval obligations has meant that the fleet has had to be enlarged by the retention of many older vessels which were due for disposal or retirement into the standby squadron.

So serious has the situation become that the standby squadron, dedicated to Nato for use in a crisis, has been empty of ships for most of the last year.

The Ministry of Defence yesterday confirmed figures printed in its own Navy News, a monthly magazine for the fleet, which go further than those so far announced to Parliament.

Three "tribal class" frigates, built in the early 1960s and put up for sale by the MoD in 1980, are being brought back into service for another year. Six other frigates, announced to Parliament last November as being withdrawn into the standby squadron this year, are being reprieved for two years or more. So are nine other warships which were similarly due to be retired next year.

Only one of the 19 ships, the frigate Dido, is being withdrawn. It has been sold to New Zealand for delivery on July 18. However, last summer New Zealand loaned Britain a frigate to make up numbers on the Oman patrol, an arrangement which is being continued this year.

In addition to its major Nato role in the east Atlantic, the Royal Navy has specific commitments in the Caribbean (mainly Belize) in the *Mediterranean (including* Gibraltar), in the Gulf and Hong Kong.

An additional implication of the present crisis is that it seems certain the Navy will fall very far short of the target reduction of 8,000 to 10,000 men by 1986.

However, the Ministry says that overall reductions in the Navy are on target. The 59 frigates and destroyers at present in service will fall to 55 by next April and around 50 in the mid 1980s.

Software group calls in receiver

By Jason Crisp

ALTERGO, one of Britain's leading computer software companies, went into receivership yesterday.

Mr Ipe Jacob and Mr Maurice Withall of accountants Thornton Baker were appointed receivers of five Altergo companies by Barclays Bank at the request of the companies.

Altergo is the leading UK supplier of software for IBM computers and has a number of large contracts around the world. The company, founded in 1969, had a turnover of £8.7m in the year to April 1982. After rapid growth, Altergo ran into financial difficulties and had been trying to raise capital.

The receivers, who already have one offer for the company from a UK concern, are expected to talk to a U.S. company which has declared an interest. Several other companies are believed to be interested in parts of the business.

Further boom predicted for North Sea

Financial Times Reporter

DEVELOPMENT plans for up to 17 North Sea oil and gas fields could be drawn up within the next two years, Mr Hamish Gray, Minister of State for Energy, said yesterday.

Predicting another North Sea boom, Mr Gray said he expected the first applications to come from Sun Oil (Balmoral Field), BP (South East Forties), Marathon (North Bray) and Shell (Tern and Eider).

The upsurge in activity, which would produce another boom by the mid-1980s for platform yards and oil-related service industries, stemmed from the recent budget and oil tax concessions made by the Chancellor of the Exchequer, Mr Gray said in Scotland at the opening of an oilfield support base at Invergordon on the Cromarty Firth.

DCL seeks return of Red Label brand

BY GARETH GRIFFITHS

THE Distillers Company (DCL) is holding talks with the European Commission over the re-introduction of *Johnnie Walker Red Label*, the world's best selling whisky, into the UK market.

Johnnie Walker Red Label was withdrawn from the UK in December 1977 after the European Commission banned the dual pricing of Scotch whisky.

Rather than reduce its higher continental prices, DCL withdrew the brand from the UK. In July, 1980, the company lost its appeal to the European Court of Justice over the ban.

However, John Walker and Sons, the largest DCL whisky producing subsidiary, produced a notification of a new dual pricing policy in November 1980. This would allow it to re-introduce Red Label on the UK market at a lower price than on the Continent.

The Commission's trade practices directorate said last night it could be months before an agreement was reached. However, it appears the main details of the price fixing agreement have been reached, although both sides have declined to comment on the proposals.

Johnnie Walker Red Label, when it is re-introduced, is likely to find a ready market and would compete strongly with brands such as The Famous Grouse. *It would be sold as a premium product, probably at* about £8 per bottle.

In 1981 Johnnie Walker Red Label sold some 7.4m cases and was the only brand in the world to be consistently strong in all major markets (except the UK).

Before it was withdrawn, Johnnie Walker Red Label sold about 1.2m cases in the UK. It is not clear how much of that was drunk in the UK because a certain proportion was bought in the UK and shipped to the Continent for resale

However, *DCL's* replacements for Johnnie Walker Red Label, John Barr and Buchanan Blend, have not been a success.

Mr John Cater, chairman of DCL, is to retire in September. His successor will be Mr John Connell who runs the group's gin division.

The retirement had been expected, but what caused surprise yesterday was the appointment of a non-whisky man to head a company which accounts for some 40 per cent of the Scotch whisky industry.

Mr Connell has been responsible for turning the gin and vodka interests within DCL into one of the most profitable parts of the group.

THE ARTS

Some of the Channel 4 news team—Peter Sissons, Elinor Goodman, Sarah Hogg and Trevor McDonald

Television/Chris Dunkley

Two cheers for Channel 4 News

Regular readers will know that since 1973 this column has been criticising the insularity of the BBC's *Nine O'Clock News* and ITN's *News at Ten* and, while acknowledging considerable improvement in foreign coverage since then, has continued to decry the way in which those two main news programmes have concentrated upon the "who" and the "what" and the "where" of events while paying scant attention to the "why" and the "how" and the "so what."

By setting a news agenda day after day which has favoured industrial over arts news, wars over progress in technology, the economy over science; by appointing whole teams of industrial, defence and economics specialists and never a single arts reporter in the whole history of ITN and BBC News; by their perpetual preference for action over analysis these programmes have in 30 years done more than all the national newspapers in 200 years to persuade an increasingly despondent public that "news" really means "bad news."

But today Channel 4 is 22 weeks old and so we have seen more than 100 editions of *Channel 4 News*, which was launched with the promise: "To report more fully the major events of the day with background explanation of why they happened and intelligent analysis of what their consequences might be; to provide regular systematic and specialist coverage of sometimes neglected areas like [*sic*] science, technology, economics and the arts . . . and give foreign coverage especially generous time and a less insular perspective."

With that as its declared intention and twice as much time as the old ITN and BBC programmes, it clearly had to be welcomed, and it has, indeed, done much to fulfil its promises. In recent weeks it has brought us a report on Granta, the most exciting of the "little" literary magazines in the past 10 years. It has provided a long report on the Police Bill which sought out the reactions of a doctor, a clergyman and a journalist whose confidential files could be commandeered by the police. It has lured the elusive Ian MacGregor into the studio and interviewed him about his attitudes towards coal. It has brought news of yet another Gandhi in Indian politics, and an interview with the lady in question.

Moreover, the programme has from the beginning employed (and not merely as tokens, but as regular contributors) an arts and a science correspondent. Furthermore, each of its presenters has a special area of expertise: Sarah Hogg economics, Trevor McDonald diplomatic and foreign news, and so on. Is it, then, a triumphant example of all that this column has been demanding for so long from television news? Unhappily it is not — yet.

First, it has attracted only a very small audience, a fraction of the number watching the nine and ten o'clock news programmes. Nowadays I understand, it gets around half a million but for a while it became notorious for its "zero rating" meaning that fewer than 250,000 viewers were watching. It has been suggested that this is inevitable given that Channel 4 as a whole attracts an average of only three or four per cent of the audience.

> 'Moreover the programme has from the beginning employed (and not merely as tokens, but as regular contributors) an arts and a science correspondent.'

But it may make more sense to turn that argument the other way up; perhaps one of the reasons why Channel 4 builds such a small audience every evening is the presence of a long and serious news programme putting off a lot of people when they sit down at seven o'clock or so to start viewing. That was certainly my prediction months before Channel 4 even opened, and events have not altered my view.

Some at Channel 4 argue in response that it is the abnormally powerful competition between 7.00 and 8.00 which explains their low figures. This is not true every night (*The BBC2 Film Competition*, *Rolf Harris Cartoon Time* and *Village Earth* were the three competitive offerings on the day that I last heard that argument) but it certainly is true that on various days this hour features some of the highest rated shows in the schedules: *Coronation Street*, *This Is Your Life*, *Top Of The Pops*, *Dr Who* and so on, all carefully placed to capture the evening's audience.

All the more reason, surely, for Channel 4 to screen its long serious news programmes at some other time — preferably a time favoured by the sort of people likely to watch it, which experience suggests is considerably later at night, round about the time that BBC2's exemplary *Newsnight* is shown.

Moving from timing to presentation; one must assume that a deliberate decision was taken not to open with anything cheaply seductive such as people or interesting scenery, and no doubt that is tremendously worthy. But to open instead with a pie-chart of your own forthcoming content looks like an unkind parody of Channel 4's general ideas of *presentation*. (*Which seem to* have nothing to do with what the audience would prefer and everything to do with the polytechnic staffroom preconceptions of the channel's own personnel.)

On the credit side they did—like every other experimental news programme ever — fairly rapidly abandon the idea of depriving the presenters of their desks, and now they have a smart matt black affair with scarlet lettering which looks like a giant ZX81 home computer.

But the question of lettering brings us to another matter which I have christened JOS: Junk On Screen. There has been an exponential increase in JOS on all news programmes: writing keeps on blipping up word by word like pre-talkies cinema song sheets; baffling multicoloured computerised erections surge up and down; little pictures flash out of the news readers' ears labelled "Zimbabwe" in case we thought they meant Finland when they said "Zimbabwe."

It is my guess that once a news programme moves away from talking heads and film footage to trendy JOS it loses viewers as fast as TV-am loses them when the ads come on. Two or three times a month some aspect of JOS might be genuinely helpful to the viewer; two or three times a minute repeating what has been said already means that it is being indulged merely because the technicians made it possible.

They would be better employed clearing up the irritating little technical hitches which still occur far too frequently: a week ago today for example Trevor McDonald was faded into a commercial break, we came out of the break with a jumble of chatter and no picture, McDonald started reading again still with no picture, and when the programme finally recovered somebody flashed up a caption apologising for "interference." Shortly after that the camera zoomed into Sarah Hogg, wobbled, and cut back to McDonald's head at floor level.

So far as the presenters themselves are concerned, Peter Sissons and Trevor McDonald are experienced professionals and it shows. Lots of work seems to have been done with Sarah Hogg, hairstyle and makeup have been vastly improved, but whose reading of the autocue has changed from brusque and hesitant to a rhythmical sing-song reminiscent of Gerard Hoffnung in his "Barrel of Bricks" anecdote. Free of the autocue and conducting studio interviews she sounds perfectly normal. It is yet another vivid illustration of television's insane but unshakeable belief that any intelligent Fleet Street journalist will instantly make a good television presenter and that, therefore, there is no need actually to train people properly for the job.

I come to content late and briefly because content is easily the programme's strongest suit. However, the insistence on splitting it into regular labelled segments (hence that awful pie-chart) although it is understandable—as is the decision to go now for regular arts and science slots — is surely mistaken. The very essence of any truly newsy programme is to remain as fluid as possible, ready to free all channels for whatever may happen.

Clearly a new programme with a belief in the importance of arts, technology, science and so on may experience annoyingly lengthy periods when nothing of great significance occurs in one of those areas. The temptation then is either to include items not really worthy of such treatment, which debases the coinage (even as a subscription holder I would put the Granta item in that category) or to set aside regular slots, but that way lie the ghettoes and the feeling in the programme as a whole that these subjects are covered not on merit but to fulfil a dutiful quota.

The tremendous success of *Newsnight* which has long been my own daily choice, suggests that these difficulties may begin to disappear once you rid yourself of the feeling that you are exclusively a part of "television news." *Newsnight* has the scope and the relaxed confidence to be a part of the defining process of life's interests so that Joan Bakewell's item on Stockhausen's "Gruppen" is as much to be expected and as unsurprising as Peter Snow's interview with Roy Hattersley about the Labour Party policy document. It does, of course, take time and *Channel 4 News* has still not had enough of that.

Arnolfini, Bristol/William Packer

Being there with Richard Long

Dr David Brown, whom God preserve, of the Tate, lately delivered himself on television of an opinion he has voiced these many times in private in recent years, that in the young sculptor, Richard Long, we have the artist who has achieved the greatest leap of the imagination in British Art since Turner.

Now that is saying something, even, so some may think, just a shade too much: for surely in Turner we have an undisputed master whose reputation stands easily upon the extraordinary and sustained production of some 60 years, and in Long, what, a young man not yet turned 40 and barely 15 years into his career? Strip away that coat of enthusiasm however and that bold claim remains yet not altogether insubstantial. It asks two questions, both of them interesting but the one of decidedly more immediate importance than the other. The mention of Turner is by no means gratuitous, but relative performance in the Art Olympics can safely be left to another generation of critics to measure; what concerns us now is what kind of leap, if leap at all, it was.

And immediately we are back with Turner; for, among so much else, his career shows that the determining creative step may as well be taken young as old; that it may tend in a direction away from that of declared intention and professional ambition; that it may even be, perhaps, intuitive and to be recognised only subconsciously; and that the work of a long lifetime may be in essence but the confirmation of that early advance.

Turner the hopeful history painter, the Claudean Romantic, took himself off into the wilderness, strapped himself on deck to ride out the storm, took his canvases with him as he trudged along the river bank; and always, in notebook and on canvas, his true subject was his direct and passionate response to what he saw and, by seeing, felt. It was not at all the stuff of dreams, though that ideal, arcadian, romantic gloss could always be applied back in the studio; the essential point is that he could not have done it had he not been there.

Long, too, is an artist directly of the landscape, with just this sense of actual and inescapable physical involvement. He, too, must make the journey — only for him now it is the journey itself, the focal experience, that line drawn across country, that is to become the work of art. He may make signs along the way to mark his track, faint traces, perhaps, barely and only fleetingly visible, like footsteps in the grass; the discreet and selective realignment or alteration of material, here a cairn, here a line of stones, here a careful clearance in the dust, here simply a significant point on the map.

Photographs are taken, maps drawn upon, textual propositions made; but whatever he brings back from his travels to be deployed as ancillary or supplementary works of art and shown in the gallery, always the sense is of reference to a particular progress, or simply to being in a particular place.

The conceptual leap thus made, which the visitor to the gallery is asked to share, is not one of recognition or recall of common experience, but rather of imaginative physical projection and so a kind of actual participation. The work of art may be not only what we have made, but also what we have done and where we have been. The map shows the route taken, the photograph shows the place of arcane celebration and the silent tokens of the nameless ritual. Like ancient standing stones, crop marks in the field, or those strange lines in the desert, these few rocks on the ground, this little heap of stones, may stay for ever, or may disappear tomorrow, destroyed by Nature or tidied up perhaps by other hands.

Richard Long with 'Line of Flint'

Richard Long was born in Bristol in 1945 and at the Arnolfini now has his first one-man show at home (until May 7.) It is hardly a retrospective, though some of the photographic pieces go back to the 1960s, rather a judicious selection that follows a certain thread through the years, that of his direct sculptural intervention in the landscape of which the photograph is the only record.

There are also some texts, terse poetic catalogues of things, places, directions, points on a journey. Downstairs are two new works both of which are overt acknowledgement of his attachment to Bristol. The floor sculpture is a large, simple cross, disposed diagonally across the gallery and consisting entirely of irregular chunks of local limestone, variously low to the floor or rearing up unexpectedly. It is a kind of Crossing Place, the first he has made of this kind, though the sense of lines meeting, crossing, moving over each other, the bridge over the stream as it were, lies deep in all his work.

And on the wall is his *River Avon Mud Circle* in Bristol, which is what he says it is, a circle, room high, laid on by the rhythmical slap of the artist's hand, the mud from the home river splashing and dripping at first, but now dried to a delicate cool brown.

Salammbo reaches the stage

William Weaver reports on an early work by Mussorgsky which has just received its stage premiere in Naples

Two years ago, at a concert in Milan, the conductor Zóltan Peskò gave what was billed as the first complete performance of Mussorgsky's *Salammbô* music. The Italian record company Fonit Cetra had its machinery present on the occasion, and a short time later a two-LP album was published. The existence of the *Salammbô* scenes—fragments of a youthful work the composer abandoned—has long been known, but the actual music had been studied only by a few specialists with access to the Soviet complete edition of Mussorgsky's works.

Peskò prepared a performing version, which made the music more readily available. Naturally, this availability came at a price: the performing score is really by Mussorgsky-Peskò. But the conductor-scholar has been very frank about his contribution which, considerable as it had to be, has remained admirably discreet. Mussorgsky composed six numbers (roughly eighty minutes of music), most of them in simple piano score. Peskò, naturally retaining text, melodies, harmonies, scored these pieces and made some minor adjustments in Mussorgsky's own scoring for the others.

Last week, the Teatro San Carlo in Naples boldly presented a staged version of these numbers; and the music made an even greater impact than it had in concert or on the record. Still in his mid-twenties, in this first attempt at an opera, Mussorgsky had a feel for drama (as well as a gift for striking musical turns of phrase). Peskò's dedication to the piece—and the San Carlo's risky decision to mount it — were fully justified. The applause was thunderous (and, these days, the mere absence of catcalls is considered a virtual success in Italian opera houses, where booing is the order of the day).

The producer, Yuri Lyubimov, however, was faced with a task almost as daunting as Peskò's had been. It was rather like taking a selection of "highlights" from an opera and saying: Stage this (imagine putting on a fifty-minute *Rigoletto* in which the death of Gilda is missing). A well-known avant-garde producer in the spoken theatre in Russia, Lyubimov staged *Boris Gudonov* at La Scala a few seasons ago, an experimental version that put many people off and was not exactly encouraging for this *Salammbô*.

But here he faced and met the challenge brilliantly. Conventional solutions would not have done, and Lyubimov decided—as he explained in a press conference—to present the work plainly as unfinished. In an inventive prologue, two young men in 19th century costume, representing Flaubert and Mussorgsky, were seen, the former walking on the sands of Tunis, the latter at a piano, while over a loudspeaker two voices—one in French, one in Russian—quoted the letters of novelist and musician, musing on the genesis of their works. Thus the unassertive, speculative tone of the production was established.

The single set, by David Borovskij (also responsible for the effective costumes), was a three-sided frame, an abstract landscape in sandy pastel colours. On the floor of the stage there were rows of canvas panels, which could be raised or lowered to suggest waves or walls or simply divisions. There was little action, but—strangely—plenty of dramatic tension. For the most part, the principal singers stood and performed downstage centre; the chorus was not required to move much, but when they did move, it was with surprising conviction and precision. The "Oriental," palms-out gestures of the dancers were at first reminiscent of too many provincial *Aidas*, but after a moment, they also became acceptable (what else can Carthaginian priestesses do?)

The fragmentary state of the work was not Lyubimov's only problem. Two weeks before opening night, when the Russian singers who were to interpret the leading roles (and had already learned them) were about to leave for Naples, the capricious Ministry of Culture denied them exit visas, so the San Carlo management had to find last-minute solutions. They did. From The Deutsches Oper in Berlin, without a word of Russian or a glance at the score, Annabella Bernard came to the San Carlo, and in a fortnight was ready. The voice is not the ample, Slavic mezzo that the music demands, but the plucky artist sang with style and moved with conviction and dignity. Her Mathô was Boris Bakov, who has an impressive Gudonov-like sound and a considerable presence on stage. William Stone (who sang in the Milan concert) was specially arresting in the Balearic Islander's song.

Expectably, much of the music is choral. The San Carlo chorus, rapidly improving, was supported by the renowned Philharmonic Chorus from Prague and by the local Pueri cantores (in this case, puellae) from the church of Santa Chiara. The great crowd scenes were among the most exciting in a generally exciting evening. Peskò conducted with complete dedication, and the orchestra played at its best.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

April 1–7

Theatre

LONDON

A Map of the World (Lyttelton): Brilliant new play by David Hare, set in a luxury Bombay hotel where a Unesco conference on world poverty has been convened. Chill, meticulous production by the author has strong performances from Roshan Seth (Nehru in the film Gandhi) as an Indian novelist, Bill Nighy as a journalist and Diana Quick as the actress in the middle of an ideological showdown. (928 2252).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

Yakety Yak (Astoria): Enjoyable potpourri of songs by Lieber and Stoller, evocative of the 1950s and 60s, and exuberantly performed by a Liverpudlian quartet of brothers and The Darts. (437 6565).

The Real Thing (Strand): Fascinating, enjoyable new Tom Stoppard play which examines a playwright's attitudes to work, music and love in characteristically well-written, complex vein. A tone of serious levity is well struck in Peter Wood's production and the performances of Roger Rees and Felicity Kendal. (836 2660/4143).

Other Places (Cottesloe): Triple bill of Harold Pinter plays superbly directed by Peter Hall. Pinter breaks new ground in A Kind of Alaska, Judi Dench outstanding as a woman coming out of coma after 29 years and accelerating from small girl to adult maturity in half an hour. (928 2252).

Trafford Tanzi (Mermaid): Exuberant play that sets the Battle of the sexes in a wrestling ring. This fringe success has re-opened the embattled City of London venue. (236 5568)

The Pirates of Penzance (Drury Lane): Riotously vulgar Broadway import that sits Gilbert and Sullivan on a whoopee cushion. One or two brilliant set pieces, but is all this strenuously arthritic camping about really preferable to the prim stasis of the D'Oyly Carte tradition? (836 8108)

84 Charing Cross Road (Ambassadors): Moving, unspectacular account of the love affair by correspondence between a New York Anglophile, Helene Hanff, and the owner of a West End bookshop. (836 1171)

Guys and Dolls (Olivier): A first-class revival of this witty musical happily laid out on the open stage, with a good selection of the acting talents of the National Theatre and some unlooked-for singing talents as well. (928 2252)

NEW YORK

A View from the Bridge (Ambassador): Broadway and Arthur Miller finally have a hit for the new year – Arvin Brown's musty but true revival of the melodrama of forbidden love in New York dockland. Tony LoBianco may reach the full pitch of contrived despair too soon, but audiences love the schmaltz, even in an Italian accent. (239 6200)

The Misanthrope (Circle in the Square): A witty translation by Richard Wilbur challenges an excellent cast to handle rhyme as dialogue which they ably do, led by Brian Bedford, supported by Stephen D. Newman, director Stephen Porter and especially costumer Ann Roth. (581 1848)

Amadeus (Broadhurst): David Dukes stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (247 0472)

Agnes of God (Music Box): The fiery trio of Elizabeth Ashley, Geraldine Page and Amanda Plummer enliven a somewhat over-written clash of ideologies. (246 4636)

Joseph and the Amazing Technicolor Dreamcoat (Royale): The first work by Andrew Lloyd-Webber and Tim Rice in a lively and imaginative rendition directed by Tony Tanner. (245 5760)

Geniuses (Fairbanks): Author Jonathan Reynolds takes advantage of a stint watching Francis Ford Coppola shooting Apocalypse Now to parody the American film industry in this riotous re-creation of a jungle film set awaiting the end of a seasonal typhoon. (432 W. 42nd). (279 4200)

Nine (46th St): Two dozen women surround Raul Julia in this Tony-award winning musical version of the Fellini film 8-½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

Plenty (Plymouth): Moving on to Broadway from its Public Theatre opening, Kate Nelligan stars again in the New York production of the play written and directed by David Hare about Europe's transition from war to peace over the last generation. (239 6200)

Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish re-creation of the London hit. (239 6262)

WASHINGTON

Screenplay (Arena): A circus setting is used by director Zelda Fichandler to present Istvan Orkeny's last play, which creates its own show trials for a fictitious Hungarian politican recalled from his ambassadorship in Paris to witness the testimony prepared against him. (254 9895)

Show Boat (Opera House, Kennedy Center): A cast of 50 from the Houston Opera company led by Donald O'Connor revives the Kern-Hammerstein musical of 1927 with its brilliant score including songs Ol' Man River, Bill and Make Believe. (254 3770)

The Imaginary Invalid (Arena Stage): Guthrie Theatre's associate artistic director Garland Wright presents Argan and company with Marc Antoine Charpentier's original music for Moliere's masterpiece about quackery and hypochondria in the ancien régime. (488 3300)

The Iceman Cometh (Eisenhower, Kennedy Center): Jason Robards re-takes the role of Hickey and Jose Quintero's direction for this O'Neill revival of bar-room reflections throught the bottom of the mug. (254 3670)

Make and Break (Eisenhower): Michael Frayn's zany tragicomedy of contemporary salesmanship writ large at convention time gets its American premiere with telly star Peter Falk in the Leonard Rossiter role, directed as in London by Michael Blakemore. (254 3670).

CHICAGO

The Dining Room (Goodman, 200 S. Columbus Dr.): A. R. Gurney Jnr's vision is confined by four walls, the four walls of a middle-class New England family as it changes with its inhabitants. (443 3800)

Duet for One (North Light Rep, 2300 Green Bay, Evanston): Tom Kempinski's slightly veiled story of the painful and frustrating accommodation of a concert artist to growing debility stars Eva Marie Saint. (869 7278)

E. R. (Organic, 3319 N. Clark): This hit-and-miss local company has a long-running success with an earnest parody of hospital-based melodramas, starring Gary Houston as an ambitious young doctor, Shuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (327 5588)

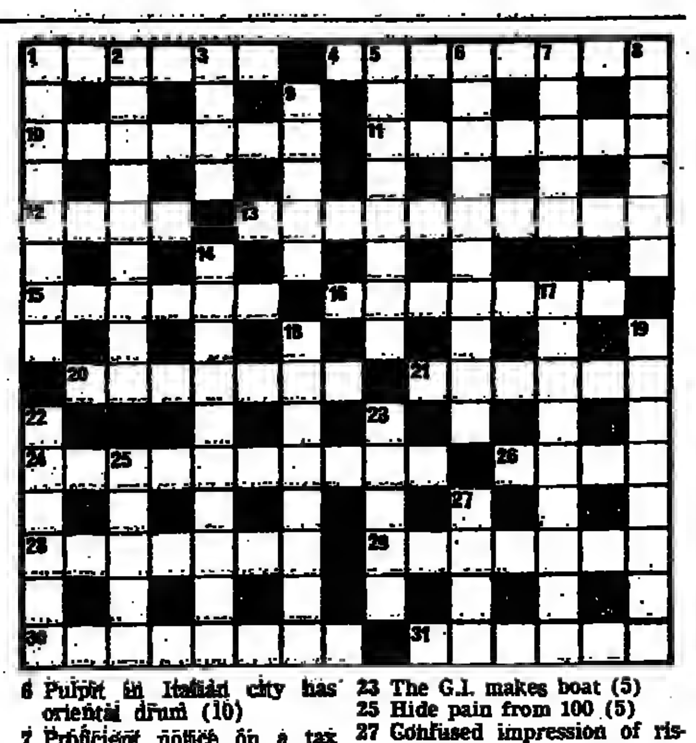
Gardenia (Goodman) John Guare picks a post-U.S. Civil War setting for his latest play, following up Bosoms and Neglect with idealism trying to set down roots in innocence.

VIENNA

Vienna's English Theatre (421 260): Arsenic and Old Lace (daily except Sun)

Theater an der Wien (579 632): Anatevka (daily except Mon)

F.T. CROSSWORD PUZZLE No. 5,139



ACROSS

1 Warning experience when there is not much doing (6)
4 Used bad language frequently within computer programs (8)
10 Needlework for tennis champion in court (7)
11 Commotion encountered on the way back with a troublesome person (7)
12 Spot agent from East (4)
13 An account for one who uses the mail—he may be prosecuted (4-6)
15 A high flier who gave his name to a sea (6)
16 "Our remedies oft in ourselves do lie which we —— to Heaven" (All's Well) (7)
20 Always lends an ear to gossip (7)
21 Prevail on Mussolini to get in (6)
24 A bat has to follow the humming-bird (6-4)
26 High wood for the French member of band (4)
28 An animal about the yard for a final set (7)
29 A case for the aged in a court of justice (4-3)
30 "—— can master a grief but he that has it" (Much Ado) (8)
31 Check for one just married about 50 (6)

DOWN

1 Roman matron turns into a cute liar (8)
2 A stately home—could it be a theatre? (4-5)
3 Nothing at first although an emperor (4)
5 Al scouts around to surpass the others (8)
6 Pulpit in Italian city has oriental drum (10)
7 Proficient notice on a tax initially (5)
8 Whole Bible portion found in Ireland (6)
9 There is little room for a dialect (5)
14 Only six hours and the rent is due (7-3)
17 Murderer for a Tory to confront (4, 5)
18 An ugly customer within for Daudet's hero (8)
19 The vicar gets the girl up—it is time to rise (8)
22 A game you have to get across (6)
23 The G.I. makes boat (5)
25 Hide pain from 100 (5)
27 Confused impression of rising pound to the City (4)

Solution to Puzzle No. 5,138

FINANCIAL TIMES

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Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Wednesday April 6 1983

Message from the shop floor

AGAINST the background of the present UK unemployment figures there is, at first sight, something incongruous in the latest onthreak of disputes in British industry.

Admittedly, it has always been wise to expect anything or nothing of Ford's Halewood plant on Merseyside; and in the nature of things the National Union of Seamen's grievance over the commandeering of HMS Keren by the Royal Navy, where the underlying pay dispute has now gone to the Advisory, Conciliation and Arbitration Service (Acas), could hardly have been predicted.

At BL'a Cowley plant, however, the fracas over the proposed abolition of the traditional three-minute washing-up time shows every sign of having taken management by surprise. As for the British Steel Corporation workers in Rotherham who are striking over redundancies, they have been—to put it hluntly—a little slow on the uptake.

The wider industrial relations picture, too, has been quiet of late. A high pay settlement for the waterworkers did not establish the kind of precedent for other public-sector employees that the Government might have feared. And since the miners' hallot last month produced another rebuff for the militant Mr Arthur Scargill, the British have emerged without undue discontent from their winter. Is there any reason to believe that spring will be unseasonably miserable?

Recession

It would be surprising if it were, for the present set of wrangles shows no uniform pattern. At British Steel the traditionally moderate Iron and Steel Trades Confederation is weak and the resistance to redundancies, which is spreading through BSC's South Yorkshire plants, is not supported hy any improvement in the market for steel. It is hard to helieve that strike action will win a genuine reprieve for the workforce. Nor is the National Union of Seamen ahle to embark on convincingly militant action when its industry is in tha throes of deep recession and financial crisis.

By contrast, the workers at Cowley and Halewood enjoy genuine advantages. The motor industry is already a major beneficiary of growing economic recovery. And the two plants in question both produce highly successful models — the Escort and tbe Maestro—which confers economic leverage on the workforce. In the motor industry shop stewards have always taken the opportunity presented hy management's desire for maximum production during the upturn to press every available claim.

The disputes nonetheless give pause for thought, particularly at BL where management has made giant strides in reducing manning levels, introducing flexibility into work practices, raising productivity and, above all, curtailing the power of the shop stewards. These steps bave made BL's survival look much less implausihle than it did. But if they have been won at the cost of intense frustration on the shop floor, the pursuit of further productivity gains—which are essential if BL is to capture a worthwhile share of foreign markets—will he a hruising experience; and the full oportunity presented hy the devaluation of sterling, more realistic wage settlements and lower oil prices will not he grasped.

Unemployment

BL, however is only to a very limited degree a proxy for the whole economy. In the rest of the private sector, and to an increasing extent in the puhlic sector, the cloud cast by the unemployment figures will almost certainly militate against immoderate pay settlements and guarantee a less strike-prone economic npturn than has been common in previous post-war cycles. There is, moreover, the hope that some of the traditional increase in productivity that stems from increased demand will be passed on to consumers, so belping to restrain inflationary pressures.

The workers at Cowley have none the less raised an indelicate wider question for the Government about the durability of gains won through an exceptional increase in the jobless total. So, too, has the management of Baxi, the privately owned beating concern which announced last week that it was to devolve ownershin on to the workers. A confrontational approacb to management has undoubtedly worked in the short term. But it is as well that other, more participatory approaches, have not been totally abandoned.

Central American role for the UN

AS THE toll of dead and wounded mounts in Nicaragua, El Salvador and Guatemala, Central America is consolidating its tragic position as a disaster area. In Nicaragua, the left wing Sandinista government is spending money and effort which could be better used on the country's domestic prohlems, than on beating back an invasion from over its northern border with Honduras. The Sandinistas claim that the invaders are the last remains of the National Guard of tha late dicetator General Anastasio Somoza, and that they have received powerful backing from the U.S.

Washington has demonstrated many times since the Sandinistas came to power in 1979, thet it regards them as irredeemahly hostile opponents, whose rule in Nicaragua should he terminated as soon as possible. The Sandinistas for their part have done little to improve their relations with the U.S. and its allies. They have seriously jeopardised the goodwill they at first acquired in the West, through imaginative policies on literacy and social welfare, by resorting to Leninist rhetorie and pro-Soviet pronouncements.

Next door in El Salvador the killing has reached fearsome proportions, with 40,000 deaths reported over the past three years. There, a left-wing guerrilla movement is struggling to overthrow a weak government of tha right which is supported and armed hy the U.S. There is no indication that the average Salvadorean would embrace the Marxism-Leninism of many of tha guerrillas if he were given a free choice. But he clearly goes in fear of the government's troops, whose record of atrocity is horrifying.

Refuge

To the north in Guatemala a military regime which seized power just over a year ago has sent many thousands of peasants into refuge over the border in Mexico. There people, too, have had enough of being terrorised by troops who use the excuse that they are fighting left-wing subversion.

No real start has yet been made to any serious process of bringing peace and stability to the region. The Reagan administration in Washington preaches the need for social change in Central America. But some of the governments in the region to which the U.S. is giving support snow no sigus of wanting to implement such policies. Instead, Washington finds itself backing regimes, some of which are committed to rolling hack social programmes. The left wing alternatives, for their part have often behaved with irresponsihility by invoking the military and financial aid of Cuba and the Soviet Union.

In such a gloomy context the suggestion made by Sir John Thomson, Britain's permanent representative at the UN, as he chaired the debate in the Security Council last week on the situation in Nicaragua, is a bopeful one and the favourahle reception It received from the U.S. and European governments is promising. Sir John wants Sr Javier Perez de Cuellar, the UN Secretary-General, to take the initiative in convening the regional powers to discuss the Nicaraguan casa.

Hostile

The British Government feels that if tha UN were successful in easing tension in Nicaragua it could then turn its attention to El Salvador and might even eventually play a role in helping to safeguard the frontiers of Belize.

The UN is the only international body which is likely to pour any oil on the tronhled waters of Central America. Washington has in the past been hostile to any substantial rola for tha UN in the western hemisphere. The U.S. has favoured the Organization of American States as a vehicle for international initiatives in Latin America. The OAS, however, is going through a deep internal crisis, as its own senior officials are the first to recognise.. In any case the great influence that the U.S. wields in the OAS makes the organisation suspect in the eyes of many Central Americans. At the same time the situation in Central America is now so grave that the U.S. is revising its attitude towards the suitability of the UN.

The idea that the UN Secretary-General should use his influence to try to end the war in Nicaragua represents the best chance yet of starting to end the fighting in a tormented region.

W. GERMAN UNIONS AND RECESSION

The strains begin to show

By John Lloyd, Labour Editor

The leader of the West's biggest union


Springs

HERR EUGEN LODERER (right), the President of IG Metall, is the son of a metal worker, and was a metal worker himself until military service from 1940-45. He rose up after the war through local and regional posts in IGM and the DGB union confederation (with a spell as SPD party President in Baden Wurttemberg in 1966) to be elected deputy President of IGM in 1968, taking the top job in June 1972.

He says of his 11-year leadership that "only the first year was easy, after that it was a hard fight" as oil shocks gave way to world recession. He has kept his union—at 2.7m members the biggest free trade union in the world—at the head of the wages league and on the left of the SPD and the bulk of the other unions, though Herr Loderer is now thought of as right-winger in IGM's ranks.

Under his leadership the union has rejected capital sharing schemes, pushed for a widening of co-determination and—at least before unemployment rose sharply—used industrial action or the threat of it to raise pay settlements.

His retirement later this year is unlikely to produce a hitter succession struggle, though it may mean a significant shift to the left.

SANDWICHED between tha Frankfurt office of the Deutsche Gewerk Schaftshund—the West German Union confederation—and the beedquarters of Industriegewerk-Schaft Metall, its biggest affiliate, is a small bookshop whose window display—in common with many—marks the 50th anniversary of Hitler's assumption of power. A banner across the top of the window reads "Nie wieder Fascismus" (Fascism—never again).

On the 13th floor of the IG Metall building, Eugen Loderer, the union president, invokes the anniversary in a tirade against the employers "Are they so stupid that they have forgotten the past? Have they forgotten how unemployment in 1933 led to the end of democracy?"

Herr Loderer, 13-years-old when Hitler assumed the chancellorship, is head of the biggest and most powerful union in the West. Foreign Governments anxiously woo his continued attachment to free trade. Sucessive German governments take care to put him first on the drop-in list when they assume office. As president of the International Metal Workers he acts as an Ambassador for independent unionism round the developing world. Yet faced with spiralling unemployment, he fears in his bones social collapse and totalitarianism.

When he was 14, Hitler's storm troopers closed down the powerful, wealthy German unions, jailed most of the leaders, and replaced them with a Nazi controlled Labour front. Herr Loderer's generation of union leaders—just nearing retirement age—have memories of Hitlerism, its causes and its aftermath in their every reflex. Much about the contemporary German labour movement, is explicable by reference to that fact.

From it flows two major questions which the German union leaders pose continually. First, will the generation filling their jobs have the same careful attachment to the virtues of compromise, consensus and moderation? Secondly, will Germany's recession, rapidly rising unemployment and the mounting problems in steel, shiphuilding, construction and electricals permit the unions to maintain their implicit support for the "social market"—the mixed economy plus welfare—when the social parts are delivering so little, the market demands only sacrifices from their members and the underlying element upon which the structure is based — growth — has faltered.

West Germany's social consensus has been huilt on steadily rising consumption: but over the past two years most unions bave settled for wage rises which lag behind inflation. This year will be the same: IG Metall, tha pacesetter, has settled for 3.2 per cent — it claimed 6.5 per cent—without industrial disruption: the 660,000 chemical workers also took 3.2 per cent over 14

This enforced moderation has hred some tensions in the highly centralised wage bargaining system. IG Metall's significant left wing has been pushing for more plant level negotiating power. so far without success. Dr Albert Schunk, a close aide to Herr Loderer, believes the memhership understands the inevitahility of low pay rises bnt says: "the intermediate levels of the union resent it, partly for ideological reasons and partly becausa they fear the membership will start to ask what they're there for."

West German unions have taken part in some bitter regional and national strikes over the past decades, the more prolonged because the wealthy German unions pay generous strike benefits. The unions have in recent years, adopted the tactie of "expectable wildcat" strikes where members in plants take two to three hour actions in rotation, in order to put pressure on employers during negotiations.

Strikes are illegal until negotiations break down and the employers have — so far unsuccessfully — challenged the tactic in the courts.

Militant action is unlikely this pay round, in part because of unemployment, and fears of making it worse, in part because of the more immediate and humiliating matter of Neue Heimat. This, the unions' own housebuilding and management company was established as a provider of low cost working class housing; the scandal which broke over it last year saw that image changed to one of a company with diverse investments providing an umbrella for private gains hy its top executives and (quite legal) tax free shelters for union leaders.

The company chairman Albert Vietor resigned a year ago, with two of his senior colleagues. The supervisory board — which included Herr Loderer and Heinz Oskar Vetter, the then head of the DGB, West Germany's trade union confederation, both of wbom bad made tax free investments — admitted negligence and launched a financial aid plan for the ailing company.

Tha after effects include a shoal of letters from members resigning their cards, a widespread public reaction against men wbo had always been seen to be above scandal and the failure of Alois Pfeiffer, Herr Vetter's deputy, to gain sufficient support to succeed him, as expected, at the DGB because of his involvement with Nene Heimat. Instead, Ernst Breit, the former postal workers' leader, took over at a congress last May which revealed considerahle disillusion and resentment from the normally equahle delegates.

Dr Schunk says the left's attempt to make capital out of the affair achieved little: the DGB executive elections showed no swing to the left: Herr Breit, the new leader, is untouched by scandal and continues the same centrist policies. However, the shock waves are still felt, possibly even being a contributory factor in the triumph of the Christian Democrat (CDU) centre right alliance in the West German elections last month. The election result has certainly made the unions, already battered by recession, less self confident about mounting a "spring offensive."

The unions worked hard for a victory for the Social Democrats (SPD) and were surprised at the relatively low support for it. Many German workers voted CDU—a disturbing fact for the unions but not one which will put them out in the political cold, as happened to the UK unions after the 1979 election.

German unions have gone to great lengths to ensure that they work with any ruling party which accepts the strong social role which Germans believe their Governments should play.

They even keep an institutional link with the Christian Democrats through the presence on their executives of CDU members. The social and labour doctrines of the Catholic church, powerfully restated in recent years by a number of influential theologians, are taken seriously by unions and their members in wbat is a heavily Catholic country.

Norbert Blum, the West German Labour Minister, is a product of this "Social Christian" tendency; a former metalworker, he was a long serving director of the CDU's Labour institute after editing its journal, Soziale Ordnung. The institute's ideology is against class struggle, but for the dignity of the worker, against the materialism both of Marxism and capitalism. While it does, of course, compromisa in practice with the free market, it also encourages militant wage bargaining, curbs on employers' activities and profits, and strong, independent unions—a radical difference from British conservatism.

Herr Blum'a policies are likely to reflect this line of thought—though it is a mark of the consensual nature of West German politics that these ideas have heen around in various forms for years.

Nowhere is the influence of Christian Democrat thought and its relative independence from the employers' interest more evident than in the party's continued strong support for co-determination, the most distinctively German of post war industrial relations systems. Under a law of 1976 unions have 50-50 representation with employers on large company boards—the employers retaining a slim majority by customarily providing a chairman who has two votes. At works council level employees get a big say in plant running and work practices.

The employers fought tha 1976 law hitterly through to the Constitutional Court, claiming it contravened the right of owners to dispose of private property. The Court's 1979 judgment was thet the law did not breach the constitution but that it should not be extended. Strict 50-50 parity—as has existed for 30 years in the steel and coal industries—thus apears to be ruled out.

Today, the employers feel their stance was justified. "Tha experience has not been positive," says Dr Wisskirchen, deputy director of the legal department of the BDA, the major employers' association. "Decisions are postponed or delayed. Management thinks in terms of what it is possible or not possible to get through the board, not what is economically best for the company."

Yet wben asked if they expect a CDU Government to repeal or change the law, the employers smile and shake their beads. "What we would like and what is possible are two different matters," says Werner Low, deputy head of the BDA'a international section. Dr Tegtmeyer at the Labour Ministry confirms this view: "It won't change. The CDU is committed to it and believes it works well."

Yet redundancy programmes, including those at AEG, have been pushed through West German industry at a speed which has helped make the country's unemployment rate the fastest rising in Western Europe in recent months. When corporata profits began tumbling last year, union leaders started to argue for a strategy which laid less emphasis on wage increases and more on a further widening of industrial democracy. Last October, Rolf Rodenstock, the new President of the BDA, praised the unions for their recognition that company profits must rise.

Dr Shunk of IG Metall says that "ideology is one thing; in practice managers work with the system. I am on several company boards and I have never known other than a unanimous decision."

At international business conferences, be says, German managers defend or are neutral about the system. "It's the young British managers who are often fiercely against such ideas. I would say they are quite fanatical." However, industry observers say resistance among employers has become more vocal recently. Certainly increasing pressure on margins and sales have highlighted the system's weak points.

A weathervane of the unions' centrism is their relationship with the SPD, now in opposition: traditionally it has been friendly hut at arms length. German unions bave no formal or financial links with the SPD though the DGB leadership normally endorses it at elections—as it did last month—and most leaders are members. The relationship between former Chancellor Helmut Schmidt and leaders like Herr Vetter and Herr Loderer was close and friendly. Hans-Jochen Vogel, the SDP's new leader, still has to build solid relations.

There are those on the union's left who hanker after stronger links with the party, and are encouraged by its swings leftwards when in opposition. Few see the arms-length relationship changing radically, unless rank and file union frustration over low pay settlements, joh losses and imports linked up with SPD leftism on nuclear weapons and other issues, and set up pressures on the leadership of the SPD and the union which they felt obliged to accommodate.

The German unions' appearance of calm power has been disturbed—by the recession, by unemployment, by the Neue Heimat scandal, and by a Government change. The belief of their leaders, shared in large part by Government and employers, is that they have been able to contain these pressures and will continue to do so without dislocating the balance of the system.

The outside observer is made keenly aware of the buge vested interest all three social partners have in such a balance, and in the memories lying just below the smooth surface. "Nie Wider Fascismus" is still a powerful antedote to extremis but may be decreasingly effective as Herr Loderer's generation retires.

This is the third in a series on the labour movement in leading industrial countries. The first, on the U.S., was published on February 17. The second, on Italy, appeared on March 7.

Men & Matters

Partners' choice

Brandon Gough, aged 45, has become senior partner and chief executive in Britain of accountants Coopers and Lybrand, where he will run a business with a fee income now topping £55m a year.

Simultaneously the firm is reshaping itself to take account of growth by admitting 16 new accountancy partners plus six new directors in its management consultancy.

The new appointments indicate the way the halance of business inside Coopers and Lybrand is changing. Auditing now accounts for less than half of the firm'a husiness, while management consultancy, taxation, and insolvency cases are all fast expanding sectors.

Gongh, a youthful appointment hy traditional accountancy standards, is now firmly on course to bave a year as head of the Coopers and Lybrand international firm—the biggest accountants in the world in terms of Its 30,000 staff level, and running neck-and-neck to be the biggest in fee income with round $1bn a year.

He tells me his turn as chairman of the international group will come in 1985.

Clearly accountants are not given to making hasty decisions when it comes to appointing top men. Gough was actually chosen as the future head of the British firm a full year ago by an electoral college of the British partners.

Although ba bas been with the firm for 19 years ha is an unusual and interesting ehoice for the partners who passed over a number of more senior—in terms of years of service—men in his favour.

Gough sees the decision as "to do with tha pace of ehange" and "the computer developments which are taking place in our business. We are living *on tha back of information* these days and are beefing up our computer resources accordingly."

His father worked in the Bank of England and be set his sights on becoming an engineer. But after reading natural sciences and law at Cambridge he went into the City and became articled to a firm of chartered accountants.

He is fond of travel, which is lucky for him because within the next month he expects to find himself in Athens, Stockholm, the U.S., Australia, Hong Kong, Malaysia, and Singapore.

Midland style

Taped music, neon lights, and mirrors on the ceiling are not the usual accoutrements of a provincial hank branch. But these are just some of tha fixtures and fittings inside Midland Bank's newly refurbished Leamington Spa branch, where the bank is making its *first experiment in open-plan banking*.

At the cost of around £175,000 the old branch has heen gutted and redecorated so that 75 per cent of the floor space is open to the puhlic rather than tha traditional 15 per cent.

The aim is to attract the great unbanked hy making the hranch into a financial supermarket. Bank tellers are kitted out *in* grey and maroon.

There are four Speedcash units which are free-standing cashier positions with no security screens. Tha eagle eye of the overhead camera and the strict amount of cash that can be dispensed ensure that the bank is happy with security.

The bank manager is no longer behind closed doors. He is to be found at the fourth table on the left on the first floor. Also upstairs there is what is described as a small counselling area and for those who hanker for tha closed confines of yesteryear, an interview room.

Midland stresses that at this stage there are no plans to pull down the grills separating teller from customer all around the country. However, open plan areas have been popular for several years in U.S. banks.

It looks as if Britain too will be letting its bank managers ont of the cupboard quite quickly.

"Why don't we send Frost to cover the Security Express robbery—there's a reward of £½ million"

Ringing changes

Be sure the recession is taking its toll . . . even among bell-founders.

At tha Whitechapel Bell foundry in London's East End, where they have been casting bells for many a sad toll and merry peal ever since 1420, only two of the staff are now actually working on the moulding and casting of bells. Output has fallen away to little more than one bell a week.

"Yes, we are in a crisis" says Alan Hnghes, a director whose family has been managing the company for the last 99 years. "Three European foundries have gone out of business and orders for bells have fallen generally hy at least half."

The bell founders' prohlem is being exacerbated, meanwhile, hy the canny clergy who these days prefer to have an old bell welded to keep it going—citing the interests of conservation and economy—rather than have it recast at either Whitechapel or Britain's other bell foundry, John Taylor of Loughborough.

The Whitechapel foundry is looking to exports as its best chance of reviving church bell sales—a typical bell weighing up to half a tonne costs around £3,000.

As the foundry that cast the original Liberty Bell in 1752 Hughes feels that the foundry'a reputation in the American market has stood the test of time. Agreed that the Liberty Bell was cracked—but that happened aboard ship during a bad crossing of the North Atlantic.

Light relief

An Andorran farmer driving home his horse and cart picked up an old man carrying a heavy suitcase. The old man sat down beside tha farmer, holding the suitcase on his knees.

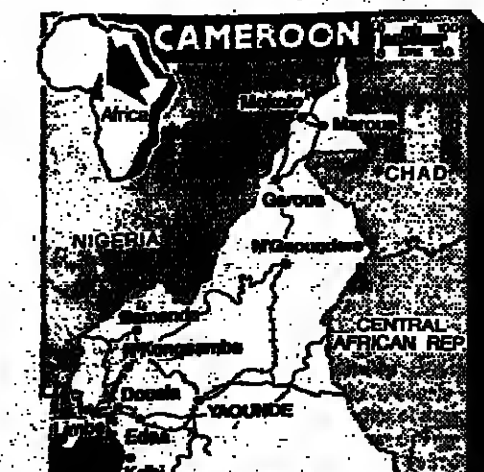
"Why don't you put your case down?" the farmer asked. "It's very good of you to give me a lift," the old man replied: "But I don't want to make the horse'a load any heavier."

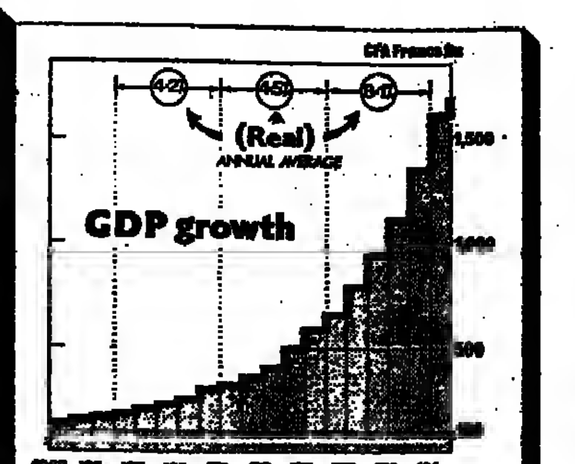
Observer

THE CAMEROON ECONOMY

The tortoise forges ahead

By Quentin Peel, Africa Editor





Brana Radovic

THE FAVOURITE tale they like to tell in Cameroon these days is the old Aesop fable of the tortoise and the hare, adapted slightly for local conditions.

In this version, Cameroon is the tortoise plodding slowly but steadily along the path of economic development. The hares are all the other West African states which took off at a great pace in the heady early days of independence in the 1960s, only to collapse in the past decade, exhausted by the burden of ill-conceived projects and excessive external debts.

The race is certainly not yet over, but there is more than a grain of truth in the comparison. Cameroon has never hit the headlines in the way that Ghana did under President Nkrumah; it has never offered the boom times of its immediate neighbour, Nigeria; nor has it even sought to compete with the growth rates of a Gabon or Ivory Coast—or Kenya on the other side of the continent. But today Cameroon ranks higher in the credit ratings than any of those one-time success stories, and still manages to attract a steady stream of bankers and traders seeking to do business.

It is the only West African state to boast virtual self-sufficiency in food supplies; it is a net energy exporter thanks both to oil and plentiful sources of hydro-electricity; its current external debt is a relatively modest $2.3bn, with a debt-service ratio of around 12 per cent; it has overtaken Ivory Coast as France's largest market in its former Africa colonies; it is one of the top 20 countries boasting a hefty trade surplus with the U.S.; and it keeps a deliberately low profile in spite of its good financial reputation.

At the same time, Cameroon last November underwent a peaceful transition from the iron rule of President Ahmadou Ahidjo, head of state since independence in 1960, to the present regime of President Paul Biya, the former Prime Minister, with no more than a few grumbles, and no sign of a military coup.

It is a stark contrast to the record of so many African states, such as its chronically unstable neighbours to the north and east, Chad and the Central African Republic.

The obvious question is whether the example of Cameroon is relevant to other African states as they try to find a way out of their economic problems.

The country does not provide obvious raw material for a success story: it is Africa in microcosm, displaying virtually all the divisions of tribe, language, religion and colonial heritage which plague the continent. There are an estimated 200 different tribes and dialects in a population of only 9m (one tenth the size of Nigeria); the split colonial rule of France (in the east) and Britain (in the west) has left both French and English as official languages of government; and the geographical division between arid north and fertile south is reinforced by religious rivalry between mainly Moslem northerners and Christians from the south.

President Ahidjo, a northern Moslem from Garoua, came to power as the French-backed "moderate" against the nationalist Union des Populations du Cameroun (UPC), which was driven underground to wage a bloody guerrilla war. As a result, the first 15 years of independence were spent in pursuit of unification and political control rather than economic development.

He succeeded in imposing his vision of unity under a one-party state partly because of the very diversity of the population, partly thanks to a combination of political shrewdness and ruthlessness, and partly because he successfully stole the nationalist clothes of the UPC for his own Union Nationale Camerounais (UNC). Since then, his own characteristics of caution, conservatism and self-discipline have dictated not only the political direction but the economic policy of the country.

On the one hand, government spending has always been kept rigidly in line with revenues, and borrowing kept to a minimum; on the other, President Ahidjo insisted that agriculture should remain the mainstay of the economy—both to provide food and cash crops for export. Most importantly, he has maintained those strict tenets even after the discovery of offshore oil more than 10 years ago.

"The Government did everything possible to avoid an oil mentality like you have in Gabon or Nigeria, where people simply abandoned their farms and flocked to the towns," according to one admiring Cameroonian banker. "So the effect of oil revenues was not felt suddenly."

Indeed, Government secretiveness about oil is obsessive. According to one—no doubt apocryphal—story current in Douala, President Biya was first shown the oil books of the state-owned Societe Nationale des Hydrocarbures (SNH) only after he had been sworn into office. Oil exports are excluded from official trade statistics, only a small fraction of the full tax receipts are included in the budget, and the oil producing companies—Elf of France and Pecten, Shell's U.S. subsidiary — are sworn to secrecy.

The irony is that the secrecy has ultimately caused more exaggeration about the level of the country's oil reserves and revenues than understatement. Cameroon is a very modest oil producer and will remain so: but in relation to its own economy, the windfall of being able to supply its own oil needs and export a surplus is obviously critical. It is not a member of Opec, and has had no apparent problem selling its crude at market-related prices.

Oil production from Elf's Rio del Rey offshore field, hard by the demarcation line with Nigeria, began in 1977, and built up steadily to some 110,000 barrels a day last year. Pecten began production in its own right last month, and Total and Mobil will start a joint operation in April, pushing combined output to some 150,000 b/d in 1983.

However, oilmen believe that the largest finds have already been made, and most of the oil is in small pockets, so they do not expect total production to exceed 170,000 b/d at its peak around 1985.

Oil has been a cushion for Cameroon against the effects of world recession, coming on stream just when the prices of its major agricultural exports—cocoa, coffee, cotton, rubber and timber—started to decline. Oil exports last year accounted for more than 50 per cent of foreign exchange earnings.

The Ahidjo strategy, now being pursued by President Biya with apparently equal dedication, has been to push those oil revenues back into the rural sector. On the one hand, the Government has maintained the real level of producer prices of the traditional export crops, in spite of the low international market price; and on the other, investment in rural infrastructure, such as electrification schemes, water supply and rural roads, has been given top priority.

Almost a quarter of the total CFAFrs 2,300bn (£4.3bn) spending under the 1981-86 five-year plan—CFAFrs 545bn (£1bn)—is earmarked for rural production, with a further 21 per cent to be spent on infrastructure.

The emphasis on agriculture is certainly popular with Western aid donors like the World Bank and European Development Fund, and has prevented the disastrous slump in production which has affected such countries as Nigeria. There have been notable successes in promoting new crops, including rice and cotton (both with heavy French technical assistance), although wheat growing has been a failure.

There are, nevertheless, signs of an accelerating urban drift which could yet undermine the strategy. According to the official statistics, the urban growth rate is now 7.6 per cent, against an overall population growth rate of 2.7 per cent. Labour shortages are being felt both by the smallholders who dominate coffee and cocoa production, and by the big sugar estates, which are forced to recruit labour from neighbouring countries Chad and Congo.

Cameroon's economic development is fairly finely balanced: oil has brought the country breathing space, a respite from the full force of the international recession, but it has not removed the same pressures of population growth and regional rivalries suffered by other African states.

"There is enormous potential, with both natural gas and hydro-electricity still to be exploited. But there are very difficult regional pressures and a tense social situation," according to one leading foreign businessman. "A lot will depend on the strength of the new President. But on balance it must be a good bet."

The Oil Market

A chance of stability, but the doubts remain

By Richard Johns, Energy Correspondent

THE North Sea price proposals finally made by the British National Oil Corporation last week have given some hope—but no certainty whatsoever—that the international oil market can be stabilised.

The oil industry had been waiting with bated breath for BNOC to suggest new prices for UK crude in the wake of the remarkable mid-March meeting of the Organisation of Petroleum Exporting Countries, which agreed on price cuts and new production levels.

Opec member Nigeria had promised to match any UK reduction below $30 a barrel "cent for cent"—thus arousing the spectre of a rapid downward price spiral.

In the event, the $30 a barrel recommended as the new North Sea reference price is generally considered compatible with Opec's structure. Nigeria's cautious response at the weekend was that it could co-exist with the rates proposed.

But there is still a long way to go before equilibrium can be assured.

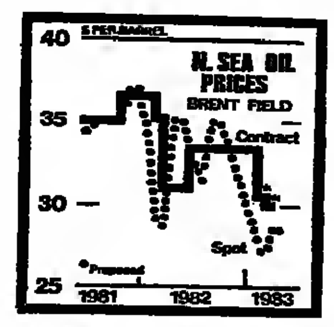
Firstly, BNOC's proposals have yet to be accepted by both sellers and buyers of North Sea crude, whose interests are not necessarily similar. The indications yesterday were that the UK industry as a whole would agree by the end of the week to the BNOC compromise. The $30 a barrel reference price may be less than the smaller suppliers want and more than the major customers consider justified. But the industry as a whole—fearing a price collapse—knows that it has as much interest as Opec and the British Government in stability.

BNOC's rates have been calculated to accommodate the Opec price structure—based on a reference of $29 per barrel for Arabian Light—and with an eye to the desperate financial requirements of Nigeria, the North Sea's main competitor. But BNOC's solution has evidently involved some contrivance and collusion.

Oil from the Brent field, rather than the normal Forties crude, has been used as the UK benchmark and, for the first time, it has been priced 25 cents a barrel above other North Sea varieties. Shell and Exxon, the two majors who produce, refine and sell Brent oil, appear to have accepted a sacrifice in the cause of market stability.

Acceptance of BNOC's recommendations would help give Opec's price and production-sharing agreement a reasonable chance of holding. But its survival depends fundamentally on the oil market's views as to whether members have the discipline to observe their production quotas and refrain from discounting below their official selling prices.

The belief that they can do neither in the face of continuing weak demand explains the failure of spot prices to revive since conclusion of the Opec pact three weeks ago.



Nigerian production and pricing policy remains the critical element in Opec's credibility. After accepting a $5 per barrel cut, President Shagari's Government — in the highly charged atmosphere of an election year — will be relying on an output of light crude close to its Opec allocation of 1.2m b/d to meet its minimum revenue and foreign exchange requirements.

But analysts have grave doubts as to whether the market can absorb anything like the 6m b/d of premium light crudes it faces — the current North Sea production of 3m b/d (including Norway) and 3m b/d which Opec produces — Nigeria, Libya and Algeria — have been allocated under the production sharing agreement.

At a time of stagnant demand the prices set for crudes of all five producers — especially Algeria and Libya which are at $30.50 a barrel — look too high.

The reason is that the oil industry now has more refinery plant available to upgrade cheaper heavier oils.

Despite Opec's new collective resolve to maintain prices at their current levels there are other points of potential weakness, not the least being the attitudes of Libya and Iran.

Iran is evidently committed to observing its output quota of 2.4m b/d and, in line with the Opec agreement, has set only a modest discount of $1.20 a barrel on its oil to take account of higher insurance and shipping charges as a result of its war with Iraq. But the Japanese traders say that it is insufficient.

Libya has refused to give its partners in production operations a discount but is continuing several "processing" agreements with customers under which the price of crude is geared to the prices obtained by refineries. But under financial pressure it is likely to cut prices.

Kuwait is understood to be selling refined products — the bulk of its exports—at an effective discount. With no immediate prospect of improved demand for Opec oil, the danger of a steady erosion of prices by disguised discounts must remain.

Opec's attention has been focused squarely on BNOC but the 600,000 b/d or so of UK exports constitute a much smaller threat than over 1.5m b/d of Soviet oil—1m b/d of it being sold on the spot market at little over $27 a barrel.

The volume flooding the oil market will mean that Opec can expect a collective output over the second quarter no greater than the 16.5m b/d recorded in the first quarter. Achievement of even that level will only be possible if the rate of international stock drawn down is drastically reduced from the 4.5m b/d witnessed over the past three months.

With overall oil consumption for the year now forecast at 2 per cent less than 1982, the International Energy Agency does not foresee any significant recovery of demand until the last quarter.

Despite BNOC's alignment with Opec, prices seem likely to remain in the balance for many weeks to come as a sceptical market waits to see if there is a decisive crack in the structure.

Letters to the Editor

A measure of the possible transformation of ICI

From Dr A. Scotney

Sir,—The dull thud of my ICI Annual Report and the account by Ray Dafter (March 29) of the Chairman's annual apologia in the ICI Magazine tell me that it is that time of year again. Once more Mr Harvey-Jones has to don his hair shirt and make what excuses he can for the ghastly performance of the petrochemicals, plastics and fibres (p., p. and f.) divisions of the curate's egg which is ICI.

Taking the performance of these sectors of ICI as a whole, insofar as numerous "boundary changes" make this possible, the last five years have seen trading profits of £80m and £170m in 1978 and 1979, and trading losses of £165m, £90m and £164m in 1980, 81 and 82 respectively. In the year just ended, the historical cost trading profit of the group was £366m, and without the losses just mentioned would have been £530m, roughly comparable with the figure for the "healthy" part of ICI of £550m which Mr Harvey-Jones quotes.

Any analyst would, however, immediately point out that this kind of calculation ignores the true extent of the damage being done to the company by the p., p. and f. divisions. Only ICI knows the amount of working capital tied up in these huge loss-makers, and the amount of senior management time being wasted in the continuing fire-fighting operation rather than generating income in profitable areas. To make a rough guess: the total sales of these divisions were £2,374m, that is, about 32 per cent of total group sales (including oil) of £7,358m. If the third of the company's assets which are generating huge losses could be deployed in the same way as the two-thirds which are generating trading profits of £530m, then historical cost trading profits of £800m are clearly possible even if the depressed prices of last year persisted. Assuming incidental income, interest and financing charges roughly unchanged at the p and l account values, the group pre-tax profit would stand at about £700m instead of £259m. That is the real measure of the transformation possible.

To reach this state, ICI would have to dispose of or close these loss-making sectors lock, stock and barrel, and, frankly, after the last three years' experience, and with more of the same to come this year, that is precisely what they should do. All the signs are, however, that ICI management will continue to tinker with the problem, as in the BP "swap" of polyethylene and pvc capacity, in the hope that the *deus ex machina* of a booming economy will drag p, p and f back into profit. And when the pace of economic expansion again slackens . . . ?

The forthcoming AGM gives the institutional investors in ICI a real chance to exercise their proprietorial rights. They should mull over that pre-tax figure of £700m, which would point to a p/e ratio of about six at the present share price. With p/e ratios for much of the healthy part of the chemicals sector in the middle or high teens, and the certainty of a dividend hike to keep things moving, they should press Mr Harvey-Jones like a Sunday suit to ensure that really effective and drastic action is taken. They can summon to their aid the similar situation existing at Fisons before the so-called "core" agricultural business was booted out; the transformation in that company's performance far outweighs the simple benefit of loss-elimination for exactly the reasons I detailed earlier. With regard to its p, p and f divisions, the time has come for ICI to emulate the lilies of the field . . .

Alan Scotney,
Chemistry Department,
The University, Glasgow.

Confusions over MIRAS scheme

From N. P. Newton

Sir,—The numerous articles in the Press, plus an edition of "The Money Programme" on TV and "Money Box" on radio, which were devoted to the advantages of an endowment mortgage compared with a repayment mortgage under the new MIRAS scheme, prompted me to investigate the advantages of such a change.

Having assured myself that it would benefit me to change to an endowment mortgage, I applied in January to my building society and my insurance company. I arranged for my existing policies to be cancelled on April 5 and to be replaced by the endowment-linked policies. However, it now appears that due to endless confusion between building society and solicitors, my endowment-linked mortgage will not have come into effect by the time MIRAS is introduced. Is it possible that the building society would have acted differently had I been using their nominated, commission-paying insurance company?

My point is that in none of the aforementioned articles (including those in FT and Sunday Times) nor programmes, was a "Deed of Transfer" mentioned. My building society's solicitors are now stalling me with this and attempting to charge for this service. It seems that, though reluctant to do the job at all, yet again the only people to benefit from a change in legislation are the legal profession.

N. P. Newton.
Yosemite, Dunmow Road,
Gt. Bardfield, Braintree, Essex.

Postage rates to the U.S.

From Mr J. M. G. Layton

Sir,—The British Post Office regularly issues leaflets giving overseas postage rates but I do wish that UK organisations would use the information. It is most frustrating to receive correspondence anything up to two months after the date of posting: "insufficient postage paid for airmail" is rubber stamped on some airmail envelopes (the National Giro is good at this). Even more annoying is paying the excess postage because some clerk with a franking machine assumed that the U.S. was included in the 15½p second class rate (a speciality of one of the major Banks). A Friendly Society has just lost my business by sending promotional material that came by sea and was underpaid.

Perhaps there is some significance in the observation that financial institutions seem to be most consistent in their inability to apply the correct postage? Other commercial items and personal letters are usually correctly stamped—within a penny or two—and airmail usually arrives in about five days.

As an Englishman in the States for a short time I try to understand but perhaps potential export customers would be better pleased if the British Post Office would do the same as the United States Service. They refuse to carry letters with insufficient postage and return inadequately stamped overseas letters to the sender for correction: but then over here we put the sender's address on the outside of the envelope!

J. M. G. Layton
1840 Brookview Circle
Bloomfield Hills
Michigan 48013, USA

The right way to recovery

From Mr T. T. Lambe

Sir,—It is generally agreed that the world recession has been brought about by two dramatic increases in the price of crude oil. So could recovery follow a somewhat dramatic decrease in the price of this fuel?

Perhaps it can.

Low interest rates, stable currencies and wisely directed taxation can surely result in lower prices for refined liquid fuels. Competition can also reduce prices for gaseous and solid fuels. These reductions, together with improved maintenance and development of new methods, can yield stable prices for heat and power, electricity, water, all kinds of transport and communications.

Together, all these play an important part in every stage of production of all other needs and can go a long way to stabilising their prices to every end-user. Thus, recovery can become self-stoking.

But governments can impose crippling taxation, owners can go bust, managers can mismanage and manual workers can go on strike. However, they themselves are also among all users who can choose what and how much they use. Even captive users can simply fade away.

So it seems common sense for owners, management and labour to unite together to sell to the users the right jobs, for the right price, at the right time.

Disputes can be settled by a new independent Service of Advisers, Conciliators and, as a final sanction, Arbitrators. They would work to strict but generous time-tables, against clear lists of items remaining in dispute. Members of this Service would be pledged to safeguard the fair interests of the users. A short, agreed list of Arbitrators would be reviewed annually by each enterprise.

Much of this has been said and written many times already. But most people surely agree that this is the right sort of way to solve our problems.

Then why go the wrong way?

T. T. Lambe.
143a, Ashley Gardens,
Thirleby Road, SW1.

Daylight saving times

From R. L. Smith

Sir,—Surely Mr Fielding's proposal (March 29) is simply a case of six of one or seven of the other.

R. L. Smith.
5 Nursery Avenue,
Aldridge, Staffs.

FINANCIAL TIMES
Wednesday April 6 1983

REAGAN SEEKS TO STRENGTHEN TRADE SANCTIONS

U.S. move to tighten export law

BY ANATOLE KALETSKY IN WASHINGTON

THE REAGAN Administration formally asked Congress yesterday to renew and strengthen the Export Administration Act, the controversial legislation which President Ronald Reagan used last year to punish companies violating his sanctions against the natural gas pipeline from Siberia to Western Europe.

The Administration's proposals will be outlined in detail by Commerce Department officials testifying before congressional committees this week.

The proposals wnuld strengthen the President's powers to prevent U.S. companies from trading with foreign companies which defy restrictions on strategically sensitive goods. They would also make it a crime to possess restricted goods with intent to export them without a licence.

The Administration's major concession to business interests, which have lohhied strongly against the extensinn nf the Act in anything like its present form, is on the issue of "contract sanctity." The new proposals provide that political export embargoes would not apply for 270 days to existing contracts.

The furore in Europe over the Export Administration Act was mainly connected with the gas pipeline dispute, when the U.S. was accused of encroaching on other countries' sovereignty by applying its own laws to European concerns trading with the Soviet Uninn.

The Administration's main purpose in extending the act is to prevent the flow of strategically sensitive technology to the Eastern hloc, rather than to facilitate specific political embargoes like the one over the Siberian pipeline, according to Administration officials.

Congress, which could well amend several details of the Administration proposals, is more concerned, however, with the act's impact on U.S. trade and employment than with the issue of extra-territoriality.

U.S. business groups have argued for an easing of trade restrictions in cases where the Soviet Union can ohtain similar technology from non-U.S. suppliers. They have also sought government compensation for losses resulting from the restrictions.

The Administration has found both these proposals unacceptahle, but it believes that U.S. interests should be protected by imposing more stringent restrictions on European and Japanese competitors of U.S. companies through a strengthening of the International Coordinating Committee (CoCom) system. CoCom regulates strategically sensitive exports from the U.S. and its allies to the Eastern hloc.

Christian Tyler writes from London: The EEC is expected to lodge a formal protest. It believes the amendments include a threat of trade retaliation against companies outside the U.S. which are considered to be doing husiness with Comecon countries against the U.S. interest.

The sanction would take the form of a total ban on those companies' exports to the U.S. According to British trade officials who learned of the proposals on a recent visit to Washington, that would be a clear hreach of the General Agreement on Tariffs and Trade (Gatt).

They also argue that "leaks" of technology from countries that are party to the Comecon regulations should be dealt with by diplomatic means, not by unilateral trade sanctions.

The Comecon rules are being revised as part of the patching of Western European-U.S. relations after the Siberian gas pipeline row.

Mr Peter Rees, UK Trade Minister, has expressed his unhappiness with the proposed amendment in talks with Mr Malcolm Baldrige, U.S. Commerce Secretary, and Mr William Brock, the President's trade representative.

East-West trade, Page 2

Mr Ian MacGregor

U.S. Steel hopes to clinch BSC deal by June

By Ian Rodger in London

THE U.S. Steel Corporation hopes to sign a deal by the end of June under which the British Steel Corporation (BSC) would sell it approximately 3m tonnes of steel slabs a year and take an equity interest worth "hundreds of millions of dollars" in the Fairless works in Pennsylvania.

Yesterday, however, U.S. Congressman Peter Kostmayer, who represents the district in which the works is located, said in London after a lively three-hour meeting with BSC chairman Mr Ian MacGregor that he would continue to oppose the proposed deal.

"The meeting got off to a rocky start," Mr Kostmayer said later. "Mr MacGregor was prepared to do battle and so was I. Mr MacGregor has the lawyers, but we have the votes and I think that will win in the end."

Mr Kostmayer, a member of the U.S. House Foreign Affairs Committee, was convinced BSC would be unable to meet the U.S. Government's requirement that steel imports are not subsidised.

Mr MacGregor assured him that Scotland's Ravenscraig works, which would supply the slabs, would be set up as a separate company and operate on an unsubsidised basis by the time any arrangement was finalised.

The two ended up making a bet on the issue – wagering a meal at a restaurant of the winner's choice.

"I think I will win the bet," said Mr Kostmayer, "because I do not think they can survive without massive government infusions of cash."

He said there was also a "strong chance" that Congress would impose restrictive tariffs to stop unfinished steel entering the U.S.

BSC has refused to confirm any details about the proposed deal or even acknowledge that the partner is U.S. Steel. But Mr Kostmayer said Mr MacGregor told him the deal would be for six years, cancellable on three years' notice.

Mr MacGregor said last week he thought the chances of the deal succeeding were slim but he would go to the U.S. this week for further negotiations.

The impetus for the scheme stems from the decrepit state of much of the U.S. steelmaking capacity and the difficulty many U.S. producers are having in raising funds for modernisation. BSC, on the other hand, has considerable excess capacity at its modern works.

Mr MacGregor said the issue was how to enhance the prospects of both Mr Kostmayer's constituents and the Ravenscraig workforce.

He said: "This is a matter of great concern to me in face of the fact that there are few alternative solutions in the situation."

It has been suggested the deal would secure 2,000 of the approximately 4,000 jobs at Ravenscraig.

Congressman Joseph Gaydos, chairman of the steel caucus in the U.S. House of Representatives, said last week that Mr David Roderick, chairman of U.S. Steel, told him the Fairless workforce would probably shrink from 5,000 to 4,000 if the deal went through.

THE LEX COLUMN

BTR fumbles for first gear

BTR has done nothing to discourage all the recent speculation about its intention to make a sizeable acquisition, but even the most fanciful followers of the UK company must have been amazed yesterday at the audacity of its move for Thomas Tilling.

The widespread expectation of a bid seems, for the moment, to have backfired on BTR by forcing its hand on a day which saw half the City's investment community on their way back from the long weekend and much of the remainder reluctant to deal on the eve of the new tax year.

Institutions have in any case learnt to take a much more cautious attitude to dawn raids and even the might of Cazenove apparently failed to shift more than about 6 per cent of the equity in yesterday's initial assault. A far cry from the days when 15 per cent of almost anybody could be picked up before breakfast.

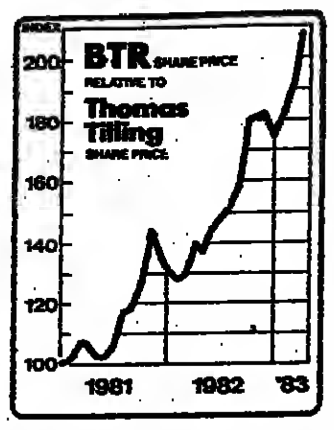
The outcome must be all the more galling to BTR as its provisional offer for Tilling was pitched at a fairly generous 39 per cent premium to Thursday's close. The group could of course decide now to stay put or retreat from the field but that is hardly the BTR style and the recent track record of the two companies should play into the offeror's hands.

BTR has been outperforming the FT-A All-Share Index for about as long as Tilling has underperformed it and the financial performance of the two companies — both of them internationally-oriented industrial holdings companies – could hardly be more divergent.

Since 1978 BTR's pre-tax margins have risen consistently from 11 per cent to 14.7 per cent, while Thomas Tilling's have fallen inexorably from 6.3 to 2.0 per cent. If allowance is made for BTR's highly conservative depreciation policy, the contrast is even starker.

Playing its management card, BTR has an unanswerable case. It will presumably make much of its success at Serck in transforming returns from an industry of which it initially had little direct experience. Tilling has plenty of businesses in that category, although only a handful of them – notably publishing and insurance – would look wholly out of place in the BTR portfolio.

Yet Tilling will be no easy catch. It has apparently laid abundant contingency plans against a hostile takeover and, in its own defence,



can point to the momentum which falling interest rates and a strong dollar are providing to its sterling earnings, while underlining the measures which it has taken recently to shake up weak divisions, particularly the U.S. energy equipment operation.

Even at the dawn raid price of 175p a takeover of Tilling would stretch BTR to the limit. A full offer would need to incorporate a strong paper element which, in the short term, would probably dilute both earnings and net worth.

As a rough guide an all-share offer for the remainder of Tilling would necessitate the equivalent of a one-for-two rights issue. In practice BTR might lean towards the issue of loan stock which could be redeemed through the disposal of peripheral Tilling companies.

Finally, there may not be much obvious overlap between the activities of Tilling and BTR, either here or in the U.S., but a conglomerate merger on this scale is certain to invite the close attention of the Office of Fair Trading.

Lloyd's agencies

The Lloyd's report on the underwriting agency system in its market will give prospective buyers of those agencies plenty to think about. The working party has sensibly decided that those controlling the agencies after the grand divestment sale should be those that can be governed by the Lloyd's authorities – that is, the Lloyd's professionals or other underwriting members of the market.

While control of the Lloyd's agencies is to be kept within the Lloyd's family, there is to be no limit on the amount of outside capital which can be introduced into the agencies. Lloyd's favours the unfashionable dual voting and non-voting share structure and there is to be no limitation on how much of the latter outsiders can hold. Merchant banking advisers will already be licking their pencils, anticipating schemes to get round the Lloyd's proposals for their clients who wish to own an agency.

The working party has also attempted to curb the power of the brokers within the market. Originally it was proposed that the brokers should be barred from ownership of two thirds or more of the voting shares in members agencies. But after an outcry, Lloyd's has said that the hrokers can control members agencies as long as they do not produce more than 20 per cent of the capacity of any one syndicate. The percentage figure set by the working party may be too high. Any broker which produces enough members to a syndicate to provide a fifth or its capacity has considerable clout.

BPCC

The shock of impending collapse in 1980-81 put British Printing and Communication Corporation under heavy anaesthetic and Mr Robert Maxwell, wielding fresh nerve gas adroitly in one hand and a sharp knife in the other, has acted fast on the radical surgery needed for his 1981 survival plan. The once endangered beast appears to have woken up in 1982 and has kicked off to a promising future, with pre-tax profits already up to £12.4m after 1981'a £1.2m loss.

Manning reductions and improved techniques, particularly in pre-press operations in the printing subsidiaries, have produced a sharp improvement in margins. Trading profits have jumped over 32 per cent, to £19.8m, despite a small fall in turnover in the wake of factory closures. Another year of negative cash flow is reflected in higher interest costs, but the company was emphatically not ready yesterday to discuss its balance sheet. Below the line, rationalisation costs have shrunk from £17.6m to £5.3m and group tax losses sold up to the 77 per cent parent, Mr Maxwell's own privately owned Pergamon Press, have yielded a £5m benefit against £3.3m in 1981.

That 77 per cent cost Pergamon Press a brave £12.9m purchase price in 1980/81. This stake was valued in yesterday's market, with the shares down 12p to 96p, at £88.4m.

Mexico plans to reschedule debt

By William Chislett in Mexico City

THE MEXICAN GOVERNMENT will today unveil its long-awaited scheme to help the country's hard-pressed private sector reschedule $15hn of debts to international commercial banks and also defer interest payments.

Mexico's acute liquidity crisis and the tottering state of most private companies, which have been hard-hit hy the heavy devaluation of the peso, have made the Government come up with the scheme.

Foreign banks, however, are not completely happy with the plan hecause they feel that it is a forced rescheduling.

The Government feels that this is the best option it can come up with to keep heavily indebted companies afloat and enable their creditor banks to be eventually repaid.

A satisfactory solution to the private sector's debt problems was a key part of the recent $5bn loan package made by international banks to the Mexican Government, which has also rescheduled $19.7bn of public sector debt.

Companies with dehts contracted before December 20, 1982, will, as of April 25, be able to pay principal and interest due in pesos to a government-run trust fund which will then convert the pesos into dollar obligations of its own to the lending banks.

The Bank of Mexico has committed itself to making peso loans available to those companies which cannot find the necessary pesos to "buy" dollars at subsidised rates to repay their debts.

The rates which dullars can be purchased depend on the terms of the rescheduling agreed with banks.

The rates will be fixed on a monthly basis. The minimum rescheduling period is six years, with three years' grace.

In order to qualify for the scheme, companies will have to obtain from their lending banks a rescheduling agreement which is in line with the terms of the rescheduling agreement for the public sector.

The Bank of Mexico has set the following initial rates. Those companies, which obtain an eight-year rescheduling agreement, with a four-year grace period, will be able to purchase dollars at 75 pesos per dollar.

The current controlled rate is Pesos 109 per dollar and the free rate almost Pesos 150.

The price for companies with a seven-year agreement, including three-years' grace, will be 81 pesos per dollar and the cost for the six-year period will be 84 pesos per dollar.

Corning Glass unit accuses Merrill Lynch of trading fraud

BY RICHARD LAMBERT IN NEW YORK

METPATH, a clinical Laboratory company, acquired last year by Corning Glass, is suing Merrill Lynch, the giant securities firm, for alleged fraud through unauthorised trading of Government securities in Metpath's name.

The company said it had losses of $6m on the money invested, and that it had paid $2.5m to Merrill Lynch in fees. In the suit, which has heen filed in a New York federal court, the company has asked that the damages be tripled.

Merrill Lynch later denied all allegations of wrongdoing with respect to securities traded on Metpath's account.

The case, according to the Metpath suit, refers to trades which were allegedly made by Metpath's then chief financial officer, without the knowledge or consent of other directors.

Metpath claims Merrill Lynch did not seek the required permission from the secretary of the company's board.

According to the Merill Lynch statement, the Metpath executive involved in the dealing had testified under oath that he was authorised to invest for the company. It added that the value of the securities in the portfolio had appreciated substantially after they had been liquidated.

Last June Corning reported that after the close of the second quarter, Metpath had incurred a realised loss of $ 4.3m and an unrealised loss of $1.7m, relating mainly to certain security holdings which it said had not been authorised hy either Metpath or Corning.

About two months later, the hull market on Wall Street exploded into life.

● Corning Glass yesterday reported first quarter earnings of $37m, or $1.75 a share, compared with $12.5m, or 59 cents a share, last year. However, the latest figures include $22.2m from a non-recurring capital profit, and sales in the period were down 6 per cent at $370.5m.

Mr Amory Houghton, Corning's chairman, said the company had been able to maintain operating margins despite the fall in sales, which was mainly a result of the sale of certain activities under the company's restructuring programme.

"The encouraging is that we're on the move," he added. "Sales exceeded those of the previous quarter and operating margin, while below our long term goal, doubled over that of the fourth quarter of 1982."

De Lorean 'has Swiss funds'

BY JOHN GRIFFITHS IN LONDON

MR John De Lorean has access to all or a substantial part of $17.65m held in a Swiss bank account, the prosecution alleged in a Los Angeles pre-trial hearing yesterday.

The former chairman of the failed Belfast sports car venture is facing trial on drug trafficking charges.

The prosecution was opposing a request hy Mr De Lorean for his $5m bail to be reduced. A lawyer for Mr De Lorean denied that he had access to Swiss funds and claimed that the amount of bail required was causing Mr De Lorean "tremendous" financial difficulties.

At the same time, the judge refused a motion by the prosecution for the bail sum to be increased.

The court actions came as the respected U.S. auto industry journal, Automotive News, reported that the $17.65m had been funnelled to individuals through a Swiss account rather than used for the sports car's research and development. The whereabouts of the funds have been the subject of U.S. Internal Revenue Service and UK police investigations since the arrest of Mr De Lorean last autumn.

Development of the De Lorean car was carried out by Lotus Cars, which was subcontracted via GPD Services, a Panama-registered company based in Geneva.

Lotus received $22m for the work; hut its chairman, Mr Fred Bushell, told the Financial Times that only the first £100,000 ($150,000) was paid via Geneva. Thereafter, payments were made to Lotus directly from De Lorean's UK car manufacturing subsidiary in Belfast.

Meanwhile, creditors of the De Lorean Motor Company are planning to make contact with a Swiss attorney, who, they believe, has records of the fate of the $17.65m.

UK seamen 'take counter hostage'

BY BRIAN GROOM IN LONDON

THE ROW in the UK over the Royal Navy's commandeering of the Falklands troop carrier Keren took a new twist last night when the National Union of Seamen (NUS) claimed its members had held up a cargo boat in Harwich as a counter hostage.

The action was disclosed as talks to resolve the pay dispute between the NUS and the Blue Star Line, which manages the Keren on behalf of the Navy, were adjourned at the Advisory, Conciliation and Arhitration Service (Acas). They were due to resume this morning.

Mr Sam McCluskie, NUS assistant general secretary, said the crew of the Browning, the first Blue Star ship to arrive in the UK since the Keren dispute began, had spontaneously gone on strike when the ship arrived at Harwich yesterday afternoon.

The vessel was being picketed and dockers had agreed to hlack it, he said. "The owners and Government have a hostage. Now we have got a hostage."

No official confirmation of the action could be obtained last night, but it was confirmed that the Browning was in Harwich. Blue Star said the ship was not its own, hut belonged to its sister line Lamport and Holt.

The Keren dispute began at the weekend when the NUS threatened to call a worldwide strike after a Royal Navy crew sailed the vessel from Wallsend on the Tyne while the civilian crew had been sent home.

The dispute is over pay rates offered by Blue Star, which was to have provided a civilian crew for the vessel destined for service in the Falklands.

Iran rejects ceasefire over Gulf oil slick

By Kathy Evans in Kuwait

IRAN has firmly rejected the idea of a limited, temporary ceasefire with Iraq to allow work to begin on capping the Nowruz oil field, which has been leaking for eight weeks.

The Iranian rejection came on the eve of a meeting in Kuwait of the eight-state Region Organisation for the Protection of the Marine Environment (Ropme).

Mr Hussein Mirza Taheri, deputy Iranian Prime Minister and head of Iran's environmental protection agency, told a press conference here: "Iran will never accept a forced peace. A ceasefire has no connection with clearing the area."

The Iranian official appeared to rule out acceptance of any Iraqi offer of safe passage of neutral teams to the Nowruz fields so that the oil licking the shores of the Gulf states can be contained.

World Weather

		°C	°F
Ajaccio	C	13	55
Akrotiri	S	18	64
Algiers	—	—	—
Amsterdam	F	6	43
Athens	F	17	63
Bahrain	S	23	73
Bangkok	S	34	93
Barcelona	S	16	61
Beirut	F	18	64
Belgrade	C	14	57
Berlin	C	8	46
Biarritz	C	13	55
Blackpool	C	6	43
Bordeaux	C	12	54
Brussels	F	8	46
Budapest	C	11	52
B. Aires	S	24	75
Cairo	C	26	79
Cape Town	S	21	70
Caracas	S	32	90
Casablanca	—	—	—
Copenhagen	F	7	45
Corfu	S	17	63
Dublin	C	8	46
Dubrovnik	C	10	50
Faro	S	18	64
Florence	F	14	57
Frankfurt	F	6	43
Funchal	C	17	63
Geneva	C	6	43
Gibraltar	S	20	68
Guernsey	R	6	43
Helsinki	S	10	50
H. Kong	C	19	66
Innsbruck	F	8	46
Inverness	C	5	41
Istanbul	S	19	66
Jersey	R	7	45
Jo'burg	S	27	81
Las Palmas	F	16	61
Lima	S	29	84
Lisbon	C	14	57
Locarno	F	16	61
London	F	8	46
Los Angeles	F	20	68
Luxembourg	C	4	39
Madrid	S	16	61
Majorca	S	16	61
Malaga	S	21	70
Malta	—	—	—
Manila	S	36	97
Miami	R	23	73
Milan	S	15	59
Moscow	S	17	63
Munich	C	7	45
Nairobi	F	28	82
Naples	R	11	52
New Delhi	F	15	59
New York	S	8	46
Nice	S	19	66
Oporto	C	13	55
Oslo	C	4	39
Paris	F	10	50
Prague	F	6	43
Reykjavik	F	1	34
Rio de J'o	S	31	88
Rome	F	14	57
Salzburg	F	6	43
Seoul	F	17	63
Singapore	C	33	91
Stockholm	S	2	36
Strasbourg	F	10	50
Sydney	S	26	79
Taipei	R	25	77
Tangier	F	17	63
Tehran	—	—	—
Tel Aviv	C	25	77
Tenerife	F	18	64
Tokyo	F	17	63
Toronto	C	3	37
Tunis	S	18	64
Valencia	S	19	66
Venice	C	8	46
Vienna	R	7	45
Warsaw	F	7	45
Zurich	T	5	41

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Oil spot market price strengthens

Continued from Page 1

ceptable and bring stability to the market," commented stockbrokers Wood, McKenzie.

Both Shell and Esso will be penalised by the differential of 25 cents which would be set for Brent crude oil blend, the proposed new reference. The indications are that the two majors will accept the increased margin over and above other comparable varieties priced at $29.75.

Nevertheless, even if the industry as a whole does approve the $30 per barrel reference price back-dated to March, the proposed $30.59 price for February set retrospectively still faces tough opposition from independent producers without refining interests. Yesterday Tricentrol, which last month threatened legal action against BNOC over the loss of income from the retrospective cut, said that it had not decided what course of action to take.

Spot prices emerging from thin trading last Thursday and yesterday fall far short of a verdict by oil purchasers.

It amounts to little more than an encouraging sign. It will probably take several weeks for the market to judge the durability of the Opec price structure which would be strengthened by approval of the BNOC proposal.

As it is prices paid for Arabian Light were reported by traders to be $28.10-$28.25 compared with $27.90 a week ago and the new official selling rate of $29. Over the week Brent rose from $28.25 to $28.50 yesterday while Nigerian Bonny showed a corresponding increase from $28.32 to $28.50-$28.70.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Wednesday April 6 1983

Data General earns $5m in second quarter

BY RICHARD LAMBERT IN NEW YORK

DATA GENERAL, the Massachusetts-based manufacturer of general computer systems, reported net earnings of $5m in the second quarter to March compared with $5.6m a year earlier. That represented a much more modest rate of decline than in the first quarter, when net earnings plunged from $14.9m to $3.1m.

The main reason for this, however, is that it was in the second quarter of last year that the once-high flying computer company's earnings started to come under serious pressure. Its net income in 1982 fell from $40.8m to $19.8m before extraordinary gains.

Total revenues in the latest three months increased modestly to $187.1m, with a rise in service and other revenues offsetting a fall in equipment sales. The company said that cost containment and other productivity programmes continued to be emphasised.

"Any sustained improvement in Data General's earnings in the future continues to be closely tied to a sustained improvement in world economies," said Mr Edson de Castro, the company's president.

Towards the end of the second quarter, Data General introduced the Eclipse MV/10000, a 32-bit system with twice the performance of its previous high end system, the Eclipse MV/8000. The company said there was high customer interest in the new system, and shipments would begin within the next 60 days.

Revenues for the half year were marginally higher at $388.4m, and net income per share fell from $1.47 to 69 cents.

● Prime Computer, the U.S. mini-computer manufacturer, said yesterday that its net income in the first quarter would be down by about a fifth even though its sales in the period would be higher. The reason was that margins had been squeezed by the slower than expected economic recovery, continued strengthening of the dollar, and a number of key investments.

These included the acquisition of Compeda, the UK computer aided design company which was bought at the end of last year.

The company said that 1983 as a whole would be a good year and its sales were expected to be strong compared with those in 1982.

IBM launches new models

BY LOUISE KEHOE IN SAN FRANCISCO

IBM announced two new mini computers yesterday, both of which significantly upgrade the performance of the company's current mini computer models.

The new "super-mini computer," a medium-sized business computer, is a top of the line model 38 machine. The "model 8" processor doubles to 8m characters, the maximum internal storage capacity of the computer to allow it to handle more complex software programmes and more data. In addition, up to 128 terminals can now be added to the "model 8", up from 80 on previous models. More disc drive can also be hooked up to the new machine. Prices will range from $160,000 to $253,000.

The IBM announcement will heat up competition in the "super mini computer" market. According to International Data Corporation (IDC) of Framingham, Massachusetts, these 32-bit mini computers have been one of tha biggest growth markets for the recession wracked mini computer industry. IDC said thet sales of super minis rose about 32 per cent in 1982 to $1.68bn and it expects sales to rise 49 per cent this year to total $2.5bn.

The new IBM machine will increase competitive pressure on mini computer companies such as Digital Equipments Corporation, Data General and Prime Computer commented Mr Dale Kutnick an industry analyst with the Yankee Group in Boston.

IBM also announced a new series 1 modular mini computer. The new machine is 20 per cent faster than the most powerful current model and can store up to one million characters in its interndal memory.

Finnish shipbuilder lifts dividend

BY OUR FINANCIAL STAFF

WARTSILA, the leading Finnish shipbuilding and engineering group increased 1982 profits before appropriations and tax to FM 284m ($52m) from FM 140m in the previous year. The dividend is going up by more than a third to FM 5.40 a share.

All divisions were profitable the company says, adding that profit development is expected to be "good for 1983-84."

Order books have continued to expand, improving to around FM 9bn at year-end, of which FM 8bn was for shipbuilding. Diesel orders accounted for FM 890m and paper industry machinery the balance.

Sales for 1982 were FM 3.9bn, an increase of 26 per cent. Exports were 80 per cent of sales. Sales for 1983 are expected to exceed FM 5bn.

Wartsila says its process of internationalisation continues faster than ever through acquisitions abroad and the formation of new sales subsidiaries. Foreign production, and sales companies account for 14 per cent of total sales.

The company has recently issued shares in Sweden. Wartsila will be the fourth foreign company to be quoted on the Stockholm exchange and the third Finnish company to be quoted abroad.

Earnings at CSX hit by mild winter

By Our Financial Staff

CSX, which operates a 27,000-mile rail system spanning 22 U.S. states, suffered a fall in first quarter net earnings from $48.2m or $1.16 a share to $35.6m or 84 cents. Revenues slipped from $1.29bn to $1.13bn.

The company, formed through the 1980 merger of Chessie System and Seaboard Coast Line, is the leading U.S. carrier of coal. It blamed the earnings fall on a 20 per cent decline in coal traffic, due to a mild winter which reduced domestic demand.

The decline more than offset gains in nther products, including automative and construction materials, where traffic increased 21 per cent and 4 per cent respectively. Traffic in other general commodity groups, including chemicals, paper and allied products, improved in the last month of the quarter.

Operating expenses fell 10 per cent compared with the first quarter of 1982, thanks mainly to further cuts in jobs. Total employment is now 55,000, against 57,000 at the end of 1982 and 69,000 at the beginning of that year. Lower fuel prices also contributed to reduced costs.

Lauritzen doubles deficit to DKr 84m

COPENHAGEN – J. Lauritzen reports a combined net deficit of DKr 84m ($9.77m) for its three Danish shipyards in 1982, against DKr 35m for the previous year. The shipbuilding activities of one of the yards appears "doomed," the company says.

The ailing Elsinore yard ended 1982 with a record DKr 132m deficit against a DKr 27m deficit for 1981. Without a new injection of capital there is "no possibility" of maintaining the shipbuilding division of this yard.

Elsinore's equity is negative, the current building programme runs out before mid-summer and prospects of securing new satisfactory orders for the yard are described as "extremely slim."

Efforts are being concentrated on maintaining Elsinore's repair, diesel spare part and other engineering activities to provide work for less than 500. This means that some 1,200 are to be laid off.

The Aalborg yard, turned a 1981 net deficit of DKr 13.8m into a DKr 26.4m net profit for 1982. The smallest yard, at Frederikshavn, more than quadrupled its net profit to DKr 21.3m from DKr 5.2m.

Employing 1,100, the Frederikshavn yard's building division is expected to work at full capacity throughout 1983. AP – DJ

UK ALUMINIUM MERGER PROVES SUCCESSFUL

Favourable surprises for Alcan

BY IAN RODGER IN LONDON

A STRIKE over redundancy terms at Alcan's Rogerstone Mill in South Wales, entered its third week yesterday with still no signs of a break in the deadlock. The strike has been triggered by Alcan's proposed method of implementing 350 redundancies at the plant. The company has warned union officials and strikers that if the dispute continues it could lead to a reassessment of the overall strategy and even the permanent closure of the South Wales plant.

THE IDEA of "synergy" in mergers of industrial companies is quite discredited these days, but it seems to be happening in the case of the acquisition last November of British Aluminium (Baco) by Alcan Aluminium (UK).

Until the merger, the two companies were among Britain's lamest industrial ducks. Between them they lost £58m ($85.8m) in 1981 and probably another £35m or more last year.

The high value of the pound was driving them out of their home markets and low world metal prices were undermining their margins. Both bad vast excess capacity, most of which was installed in the 1960s when aluminium consumption was growing at 7 per cent per year. Now, it is more like 3 per cent.

The merger was seen as a last desperate attempt to save something of Britain's aluminium industry through massive rationalisation.

Four months later, most of the rationalisation is under way and the new company, British Alcan Aluminium, could even make a profit this year.

"They have an opportunity to be profitable this year," Mr David Culver, president of Alcan Aluminium, the Canadian parent company, said recently. "So far, all the surprises have been favourable."

The main surprises have been the sudden sharp recovery in metal prices and the equally sudden and sharp fall in the value of sterling.

The spot price of aluminium ingot nn the London Metal Exchange has jumped from just under £800 per tonne last December 1 to just over £900 per tonne.

The European market leaders in primary and secondary aluminium products are in West Germany. The decline in the value of the pound from DM 4 to DM 3.60 since early December bas enabled the company to raise its prices without fearing a loss of market share to the German producers.

In January, the company announced it was raising its prices on primary aluminium by 10 to 12 per cent and last week it confirmed a rise in its UK and Ireland list price fnr ingot from £810 to £880. This was the first rise in the list price since February, 1980.

Perhaps a more important pleasant surprise has been the discovery thet the customer lists of the two predecessor companies did not overlap much.

"People tended to deal with Baco and a German company or Alcan and a French company, but rarely with Alcan and Baco," Mr George Russell, managing director of British Alcan, said.

Thus, the group has not experienced the expected drop in sales caused by customers seeking out a new second supplier. On the contrary, volume has increased about 15 per cent since the beginning of the year, mainly because the movement in exchange rates bas made imports less attractively priced. Mr Russell doubts that there has been any improvement in final demand in the UK yet.

The other pleasing development – although this was less of a surprise to the two companies – has been the complementary nature of their operations.

For example, Alcan had a modern, world scale but under-used hot rolling mill at Rogerstone in Wales so it made sense to shut down Baco's small hot mill at Falkirk.

Baco had a strong market position in extrusions, based partly on the High Duty Alloys subsidiary business linked to the aircraft industry, so extrusion manufacture is being concentrated at Baco's Distington and Latchfnrd plants. Alcan's disastrous extrusinn operatinns at Rogerstone are being shut down.

But there's the rub. The Rogerstone workforce bas not taken the rationalisation plan – which involved reducing the 13,000 payroll by 1,200 – with as much equanimity as workers elsewhere in the group.

Italian bank boosts income

ROME – One of the major Italian banks, Banco Commerciale Italiana, has increased net profit to L50.5bn ($34.9m) for 1982, from L46.1bn in 1981.

Total deposits were up 21.6 per cent at the end of 1982 from a year earlier, to L41,980bn, while overall loans were L31,500bn at the end of 1982, up 18.5 per cent.

Lira-denominated deposits rose 24.3 per cent, including a 17.3 per cent increase in deposits by Italian residents. Foreign currency deposits rose 18.9 per cent.

Lira-denominated lending rose 20.6 per cent over the year to the end of 1982, while foreign currency lending was up 13.5 per cent.

The bank, which is controlled by IRI, Italy's state holding company, said its overall security holdings rose 51.6 per cent over the year to tha end of 1982. Within that figure, its holdings of Italian Treasury bills rose 102 per cent.

This precipitous rise was largely a result of lending limitations imposed by Italy's monetary authorities. The bank bought Treasury bills as an alternative to extending loans.

The value of the bank's holdings in other companies at the end of 1982 was up L188.2bn, largely due to its acquisition of Litco Bancorporation of New york during the year.

● Compagnie Industriali Riunite (CIR), the industrial holding company, posted net profits of L15.93bn for 1982, up from L11.2bn a year earlier. Turnover climbed 43.5 per cent to L288bn.

Group borrowings were cut to L24bn by the end nf 1982, from L79bn the previous year. The company proposes a dividend of L150bn.

● Snam, liquid hydrocarbons subsidiary of the Italian state-owned energy group, ENI, announced a net profit of L1.3bn for 1982, sharply below 1981's L35.6bn. A company statement said the net profit was after depreciation of L371bn.

Gross turnover last year was L5,949bn against L5,277bn in 1981 and the company invested L837bn in Italy and abroad mainly for the Algeria-Italy gas pipeline. AP-DJ

Modest profit increase for Roussel-Uclaf

By David Marsh in Paris

ROUSSEL-UCLAF, the French pharmaceuticals subsidiary of Hoechst of West Germany, boosted net profits by only 3.8 per cent last year, to FFr 141.5m ($19.42m) from FFr 136.3m in 1981.

In a provisional statement on its 1982 results the company – owned just over 50 per cent by Hoechst with the French Government holding more than 20 per cent – said that 67 per cent of turnover was made up of exports.

COMPANY NOTICES

London American Energy N.V.

Annual General Meeting

Notice is hereby given that the Annual General Meeting of London American Energy N.V. will be held at Pietermaai 15, Willamstad, Curacao, Netherlands Antilles on 3rd May 1983 at 10.00 a.m. to consider and, if thought fit, to pass resolutions for the following purposes:

1. To approve the balance sheet of the Company and the consolidated balance sheet, the related consolidated statements of income and retained earnings and changes in financial position of the Company and its subsidiaries, together with the respective notes thereto and the Auditors' Report thereon;
2. to ratify the payment on 15th November 1982 of a distribution of $50 per share and to designate such payment as a dividend;
3. to approve the payment of a final dividend of $50 per share;
4. to approve the distribution of $150 per share by way of capital repayment out of additional paid in capital;
5. to re-appoint the Auditors and authorise the Board to determine their remuneration; and
6. to amend the Articles of Incorporation of the Company by deleting Article 13 (Residence and Nationality of Shareholders) in its entirety and to substitute the following Article 13 in lieu thereof:

The Corporation may, prior to the issue of shares upon the placing or offering of such shares, issue, as evidence of its obligation to issue any such shares, non-transferable certificates of acceptance of subscription ("Acceptance Certificates"). Such Acceptance Certificates shall not be exchangeable for Share Certificates or presentable for registration of share ownership until the expiration of 90 days after the conclusion (as determined by or on behalf of the Corporation) of the placing or offering of such shares.

No such Acceptance Certificate shall bear voting rights or dividend rights and no exchange of Acceptance Certificates or registration of ownership may be effected unless the holder of such Acceptance Certificate presents to the Corporation, its registrar or transfer agent or such other person as the Management may designate a certificate representing that such person is not a U.S., Canadian or Non-Reciprocal Person and has not acquired the shares evidenced thereby for re-sale to, or for the benefit of, or for the account of any such U.S., Canadian or Non-Reciprocal Person and that he will not offer or sell directly or indirectly the shares evidenced thereby to a Non-Reciprocal Person.

For the purposes of this Article, "U.S. Person" means any national of resident of (including corporations and partnerships created or organised in) the United States of America, its territories and possessions and all areas subject to its jurisdiction and "Canadian Person" means any individual resident in Canada or any corporation or other entity organised under the laws of Canada or any political subdivision thereof, including any branch or office within Canada of (a) any bank or trust company organised under the banking laws of Canada or any Province thereof or (b) any private banks or bankers subject to supervision and examination under the banking laws of Canada or any Province thereof.

For the purposes of this Article "Non-Reciprocal Person" means a citizen of, or any corporation or other entity organised under the laws of, domiciled in or whose stock is owned, directly or indirectly, by citizens of, any country not considered for the time being as reciprocal within the meaning of the United States Mineral Lands Leasing Act of 1920 or any modification or re-enactment thereof for the time being in force.

London American Energy N.V.
31st March 1983

Notes:

1. Shareholders are entitled to appoint a proxy to attend and vote in their stead at the Annual General Meeting and at any adjournment thereof. A proxy need not be a shareholder but must not be a Director or a person employed by the Company.
2. The required quorum for the Annual General Meeting is shareholders present in person or by proxy representing not less than five per cent. of the outstanding shares of the Company. The required quorum to enable resolution number 6 to be proposed is shareholders present in person or by proxy representing not less than twenty per cent. of the outstanding shares of the Company.
3. If you are a registered shareholder and are unable to be present at the Meeting, please complete and sign the accompanying proxy form and lodge it with or send it to Banque Générale du Luxembourg S.A., Service des Titres, 14 Rue Aldringen, Luxembourg in accordance with the instructions printed thereon.
4. If you are a bearer shareholder and are unable to be present at the Meeting, please deposit your certificates for bearer shares with, and complete a proxy form in accordance with the instructions printed thereon available from, any Paying Agent. Share certificates so deposited will be held in a blocked account until whichever is the later to occur of the conclusion of the Annual General Meeting (or any adjournment thereof) and the taking of any poll arising therefrom, whereupon the certificates will be released on surrender of the deposit receipt issued by the Paying Agent with whom they were deposited.
5. If you intend to attend the meeting in person, you are asked to notify the Company by completing and signing the form of notice on the reverse side of the proxy form.

Dutch bank denies equity change plan

By Walter Ellis in Amsterdam

NEDERLANDSE CREDITBANK (NCB), the fifth largest Dutch commercial bank, has denied reports that Chase Manhattan of the U.S., its biggest single shareholder, is planning any change in the extent of its holding.

Chase now controls 31.5 per cent of NCB. Both NCB and Chase insist that no change is in prospect and that the current position will continue for the forseeable future.

Last year, trading in Chase's shares in New York was suspended briefly pending the announcement of major reorganisation plans by NCB in Amsterdam. NCB is currently engaged in an extensive slim-down and last year made a net profit of only FL 7.3m ($2.67m), 61.5 per cent down on 1981.

Thyssen-Bornemisza, the Dutch manufacturing and trading group, which owns 27.5 per cent of the equity of NCB, is known to be ready to sell off its shares.

Mr Jacques Delsing, chairman of NCB, said at a press conference last week that these shares could, in theory, be taken up by Chase but that no plans for such a deal were under way.

Barclays Bank extends Visa Energy loan

By Our New York Staff

VISA Energy, a small Colorado-based energy company, said that it has received another extension of its line of credit with Barclays Bank International, the UK clearing bank's overseas subsidiary.

The extension, until the end of this month will allow Visa and Barclays to continue to seek a restructuring of the company's $45m revolving credit facility as well as the line of credit.

Visa said the extension applies to $4.5m currently outstanding under its line of credit.

Barclays has recently suffered a serious setback in its U.S. operations. Last year losses totalled $51.2m (£35.1m) against profits of $54.4m (£37.3m) in 1981. The U.S. operation is thought to have suffered partly as a result of continuing energy loan problems.

Apple lowers computer price

By Our New York Staff

APPLE COMPUTER, the U.S. personal and business computer manufacturer, has reduced the price of its Apple III computer by 23 per cent. It will cease production of the 128K version of the computer in favour of standardising production on the larger memory version, which has 256,000 bytes of main memory.

The price cut, from $3,495 to $2,695 for the 256K version, was justified by the cost reductions for components, said Apple.

The 256K version had become standard because of the increasingly sophisticated software produced for it.

The move probably also reflects the impact on Apple III sales of IBM's highly successful personal computer.

Earlier this year, Apple launched the sophisticated Lisa computer, which sells for $10,000.

Air Canada shows record loss in 1982

By Our Financial Staff

AIR CANADA, the Government-owned airline, has reported a record net loss of C$32.6m (U.S. $26.7m) for 1982, and expects a similar loss this year.

The deficit, compared with net earnings of C$40.1m in 1981, was the first since 1976. Revenues rose to C$2.31bn from C$2.26bn.

Mr Claude Taylor, president and chief executive, blamed the loss on a 5 per cent drop in total traffic and ever-increasing costs. "It would take a miracle to return to profit this year," he said.

The 1982 results include a C$16.8m charge for a staff-reduction programme.

Hungarian lighting equipment maker chooses its own leaders

Tungsram reshuffles Western way

EASTERN EUROPE'S only international company, Tungsram of Hungary, is in the throws of a Western style reshuffle at the top. Mr Karely Demeter, the newly appointed president, is the first head of a major Hungarian company, to exercise the right to choose his own managerial team without the sanction of the Ministry of Industry.

"Everyone agrees with the new system," notes Mr Lotis Szendrey, the acting commercial director of Tungsram, "except those directly affected." To be replaced as a company director has until now been a matter of disgrace in Hungary, as in the rest of Eastern Europe.

The stigma of failure represents one of the most difficult problems attached to being sacked as a director, but in the best Western fashion Mr Demeter is arranging to find "acceptable positions at no loss of salary for directors eased out."

Tungsram is Eastern Europe's largest maker of light bulbs and lighting equipment, and is one of the oldest in Europe. It ranks in the top half dozen or so of bulb manufacturers in the world.

In 1888, the forerunner of the Tungsram United Incandescent Lamp Company—the trade name of which is Tungsram—began producing carbon filament bulbs. Two Tungsram engineers, Dr Sandor Juszt and Ferenc Hanaman, produced the world's first bulb with a wolfram filament in 1903. A Tungsram physicist, Imre Brody, applied for a patent in 1930 for a bulb with Krypton gas and a wolfram coiled filament which gave 10 per cent more light than the ordinary bulb. The Krypton bulb went into production in 1936, and was adopted by other leading manufacturers.

In those days, Tungsram was already an international company with sales in Europe, the Middle East and Latin America. As a member of the European light bulb cartel, Tungsram was allotted 15 per cent of the German market, among its other outlets. Prices were fixed in those days, and patents circulated among manufacturers without charge.

The company had factories in Austria, Czechoslovakia and Poland. The two latter plants were nationalised after the Second World War, and became the nucleii of the national light bulb industries of those countries.

Alone among the other large companies based in Eastern Europe with a pre-war reputation, Tungsram was able to build up major sales on Western markets. It has become Hungary's largest foreign exchange earner with 40 per cent of its output sold for hard currency. Some 40 per cent goes to other Comecon countries for transferable roubles and only 20 per cent is absorbed within Hungary. The economics of bulb-making mean that a country such as Hungary, with only 10.7m people, would not ordinarily have a bulb factory to meet domestic demand alone.

Tungsram's first pre-war plant in the West was in neighbouring Austria, where it currently has 30 per cent of the bulb market and is the only producer. In 1978, it took a leap across the Atlantic, unprecedented for an East European country, forming a joint venture called Action Tungsram with Action Industries of Pittsburgh. The factory was opened in East Brunswick, New Jersey, only three miles, company executives proudly point out, from Menlo Park, where Thomas Edison's workshops were located.

The move was made possible by the abolition of production plans for Hungarian companies under the Economic Reform launched in 1968. This, and the introduction of international prices, provided the basis for independent management and marketing.

Today the U.S. company sells 400m bulbs out of a total American market estimated at some 5bn. Using American components, it produces plain light bulbs on Hungarian equipment, while specialty bulbs are imported from Hungary.

Tungsram says the U.S. company was profitable last year, though it is prevented from divulging figures by its American partner being privately owned. In order to remain profitable, the U.S. plant has had to increase its supply of components by buying from its leading competitors—South Korea, Hong Kong and Japan.

Six months ago, Tungsram set up a plant in Cork, Ireland, to supply the UK, Ireland and France. The company is sensitive about past charges in Britain that it had unfairly grabbed a large share of UK sales. Ten years ago, Tungsram claimed that British bulb suppliers were more interested in selling to Europe, because of the cheap pound. The Hungarian company entered the market—and quickly achieved high growth.

At one point it had 40 per cent of original vehicle lamp sales, through Lucas. Now, Tungsram says its share of the UK vehicle and home bulb markets has dropped to about 7 per cent. "Our maximum target is a 5-10 per cent share of the market in any country," Mr Szendrey notes.

Tungsram's share of the West German market is said to be about 8 per cent, with some specialty items taking 10 per cent. The West German distributor, which is mainly supplied from the Austrian and Hungarian plants, sponsors a leading West German water polo team in West Berlin, and the company trade mark is being busily plastered on buses and house walls.

In several developing countries, Tungsram has supplied the more profitable end of the business turnkey light bulb factories. It was the general contractor for a $30m light bulb factory—said to be the biggest in the Middle East—which was opened recently near Baghdad.

Although the Soviet Union is by far Comecon's largest light bulb maker, seven out of 10 Soviet bulbs are made on Tungsram machinery. The Russians buy complete production lines from Tungsram—which sets up the factory and then has nothing more to do with them.

For several years, the Hungarian company has been selling halogen headlamps to the Nissan company in Japan, which in 1982 bought $3bn worth of them, tripling the 1981 order. Late last year, Nissan said it wanted to buy large quantities of Tungsram lamps for the auxiliary lighting of its cars.

Such Sales notwithstanding, Tungsram did no more than to break even last year, on turnover of 10bn forints ($250m). The company is operating at 68 per cent of capacity, and its main goal, Mr Szendrey says, is to return to profitability. "Because of last year's poor results we can raise wages this year by only 1 per cent," he adds, pointing out that inflation in Hungary this year may be expected to be 7½ per cent. "The best of our employees could leave us: it's that serious."

Hungarian officials and company directors insist the country has a shortage of skilled labour despite the overmanning in some sectors.

Profits are in particular need at Tungsram as it must pay back large investments in plant capacity within Hungary made in the late 1970s. "If we had known what was to come in the 1980s. "Mr Szendrey remarks, "we would have thought twice."

Hungarian companies pay floating interest rates when borrowing from the national bank. A long-term loan costs about 9 per cent and a one-year loan about 14 per cent. The most costly loan is the one a Hungarian company is forced to take at 17 per cent interest if it runs out of cash to meet its payroll.

Tungsram is avoiding plans for expansion in the near future, because its resources are now being concentrated on cost-saving measures. These do not include releasing any of the 25,000 employees, as wages, which average some 4,500 forints ($113) a month are said to make up only 15 per cent of overheads. Some 50 per cent of overheads is taken up by raw materials, while the rest is spread over interest, depreciation and taxes.

There is still a widesepread misconception in the West that companies in the Communist countries are subsidised by the Government, says Mr Szendrey.

"A Government cannot subsidise someone, as it produces no value," he remarked. "We are hit hard for taxes to cover our Government's budget expenses, from which we get no registerable return."

Tungsram and other Hungarian concerns, he says, pay income-tax, turnover tax, and social taxes on wages which go directly to the Government. These make up 15 per cent of sales and a much higher percentage of profits, of which there are none at present.

Leslie Colitt

DMI little changed after second-half improvement

BY WONG SULONG IN KUALA LUMPUR

A BETTER second half, aided by stringent costs control and a 4m ringgit (U.S.$1.7m) profit from a property sale, enabled Dunlop Malaysian Industries (DMI) to report a steady performance for 1982.

Although pre-tax earnings fell by 3 per cent to 40.4m ringgit, net profits rose by 4 per cent to 24.8m ringgit. Pre-tax earnings in the first half had been down 13 per cent at 18.8m ringgit. Full year sales fell by 5.5 per cent to 253m ringgit.

The year began badly for DMI, which not only had to contend with the impact of the world recession, but which also lost its long established Malaysian Government contract for tyres worth 20m ringgit a year.

DMI is 51 per cent owned by Dunlop of the UK and as a result fell victim to the Malaysian Government's "buy British last" policy, which was only lifted last weekend.

In the earlier part of the year DMI also had to suffer rising stocks and costs, as well as keen competition from cheap imported tyres.

However, apart from its tyre operations, DMI's other activities (the manufacture of mattresses, sports goods, chemical sealants) and its associates, H. and R. Johnson (Malaysia), the tile manufacturer, made good progress.

The company sees its main task for the current year as the strict control over costs in the face of keen competition.

A final dividend of 21 cents has been made on paid-up capital of 100m ringgit, making an unchanged 28.5 cents for the year.

Japanese banks make overseas provisions

TOKYO—Japanese banks are likely to provide between Y150bn ($628m) and Y200bn ($837m) in the newly-introduced reserve for specific loan losses overseas for the business year ending March 31.

This will be the first time the banks have made provisions for bad loans covering both domestic and overseas loans. The 13 City banks, three long-term-credit banks, seven trust banks and a few regional banks are involved.

A circular issued by the Finance Ministry on March 9 allowed banks to introduce the new reserve, starting from fiscal 1982. Each bank is allowed to provide between one and 5 per cent of its total exposure in countries with high-risk loans.

A few large city banks and one long-term-credit bank are likely to provide for the maximum 5 per cent of their exposure, with others providing for around 3 per cent.

Country-by-country provisions need not be bound by the percentage of provisions chosen by a bank for its total exposure.

Provisions for much more than 5 per cent are likely for Poland, Zaire, Vietnam and other countries deeply in debt.

On the other hand, provisions for Mexico and a few other countries may be less than 1 per cent because Japanese banks are required to supply fresh loans to them.

Reuter

Offshore loan for Arab Homes

BY MARY FRINGS IN BAHRAIN

A CREDIT facility signed in Bahrain between Arabian Homes and a syndicate of banks led by Gulf International Bank (GIB) and Kuwait Asia Bank is the first to be arranged offshore for a Saudi borrower since the Saudi Arabian Monetary Authority (SAMA) began controlling Saudi riyal lending earlier this year.

The facility is seen as something of a test case with the eventual structure of the package, funded partly in riyals and partly in dollars, designed according to SAMA instructions.

The package consists of a SR55m ($16m) and an $18.9m, 4½-year loan, in which the dollar funding has been converted into riyals at an offered rate.

Banks included in the club deal are American Express International Banking Corporation, Banque Nationale de Paris, Standard Chartered Bank, Albank Al-Saudi Al-Hollandi, the National Commercial Bank, and Saudi Investment Banking Corporation.

Arabian Homes is building housing for senior expatriates in Jeddah and Yanbu.

● Ajman's First Gulf Bank has reported a year of consolidation in 1982, against a background of economic, political and financial instability in the Gulf.

Profits after provisions were Dh 25m ($6.8m), which is 26 per cent down on 1981. Total assets (excluding contingencies) declined from Dh 782m to Dh 678m and loans and advances fell from Dh 228m to Dh 189m. Total shareholders' equity, which does not include substantial inner reserves, stands at Dh 194m.

A 10 per cent dividend and a three-for-one scrip issue is to be made subject to UAE Central Bank approval, which is by no means automatic. An increase in capital from Dh 120m to Dh 160m also awaits approval.

First Gulf Bank is the only bank incorporated in the tiny Gulf emirate of Ajman. It was established as a public shareholding company in 1979 when it took over certain assets and liabilities of Ajman Arab Bank, in liquidation since 1976. The ownership is believed to be 50 per cent Kuwaiti, with the remaining shareholdings spread between nationals of the UAE, Saudi Arabia, Oman and Bahrain.

Southern Sun and Rennies end talks

By Our Johannesburg Correspondent

SOUTHERN SUN, the South African hotel chain, and Rennies, the South African offshoot of Jardine Matheson, have concluded that proposals for rationalisation of their hotel interests are not feasible.

The two companies announced last December that preliminary discussions were taking place on the possibility of rationalising part of the Southern Sun chain and the Holiday Inn chain which is owned by Rennies.

Ampol contribution keeps Pioneer Concrete ahead

BY MICHAEL THOMPSON-NOEL IN SYDNEY

PIONEER Concrete Services lifted net profits by 11.8 per cent to A$38.1m (U.S.$31.2m) for the six months to December 31—thanks to increased contributions from its oil refining and distribution subsidiary, Ampol Petroleum and its overseas operations. The interim dividend is maintained at 5 cents a share, although a one-for eight scrip issue resulted in a fall in earnings from 14 cents to 13.8 cents a share. Sales were A$902m against A$779m.

Sir Tristan Antico, the chairman, said the decline in concrete and quarrying operations had been far steeper than expected and the downturn in demand from the local construction industry was likely to be twice as sharp as anticipated.

Although the gain by Ampol was commendable, "continued interference by state governments in pricing policies for petroleum products remains a major concern."

U.K. subsidiaries were again trading profitably and other major profit growth areas included the U.S. and Hong Kong.

Haw Par deal with UOB unit called off

SINGAPORE — United Overseas Insurance, a subsidiary of United Overseas Bank (UOB), has terminated negotiations with Haw Par Brothers to buy the latter's Malayan Motor and General Underwriters affiliate.

For its part Haw Par Brothers International has sold a further 3.7m share block from its holding in Cheung Holdings, the Hong Kong property group. The sale reduces Haw Par's stake to 5m shares and will bring an extraordinary gain of about S$8.5m. Most of this money is to be used to diversify Haw Par's investment portfolio in Hong Kong with the rest to be re-invested.

AP-DJ

Turnround to £12m profit at BPCC

A SHARP turnround from a loss of £1.22m to a pre-tax profit of £12.41m has been achieved by British Printing and Communication Corporation for 1982.

Mr Robert Maxwell, the chairman, attributes the elgnificant improvement in results largely to e substantial reduction in labour and other overhead costs flowing from the successful implementation—with full trade union support—of the group's survival plan.

At the interim stage, when reporting e swing from a £6.67m loss to a £5.03m profit. Mr Maxwell said the group could look forward to better things in the second half because thet half was always the stronger.

On prospects for the current year, the chairman says there are signs that the deep recession is coming to an end, with demand beginning to pick up in all areas of the group's activities.

Given the quality ond quantity of resources available to the group in manpower and equipment, coupled with a major marketing driva at home and abroad, the board is confident that 1983 will see a further increase in its "high quality" profits growth.

As expected, there is no dividend on either the ordinary or preference sbares, bnt the board is confident that a resumption of payments on both classes of shares will be paid out of 1983 profits.

In August, Mr Maxwell explained the the group's investment requirements must have priority ovar other claims on resources.

Stated earnings per 25p share were up sharply from 1.5p to 11.4p.

Referring to the Park Royal (Radio Times) plant, the chairman says that be has been tackling this problem vigorously and the board expects to be reporting positive progress on it very sbortly.

Mr Maxwell also reports that excellent progress continues to be made in the group's discussions with the trade union side, concerning the merger of the Odhams-Snn plants at Wetford.

Turnover for the year was £5.66m lower at £192.5m. However, the 1981 figure included sales of £20m whicb related to factories which have been closed in accordance with the survival plan. Consequently, the continuing companies increased 1982 sales by £14m, or by some 7.5 per cent.

During the year Creech Paper Mills, the manufacturing operations of Thames Media and Harold Wesley, were closed. In addition, since the year end, Eastfield Photo Litho bas also been closed, the costs of whicb have been charged within the 1982 accounts.

BPCC bas again benefited from its arrangement with its parent company, Pergamon Group, under which tax losses of approximately £10m are surrendered to Pergamon on the basis of 52p for each pound of tax loss surrendered.

In 1982 half of the consideration receivable has been allocated to extraordinary items to reflect that part of tha losses surrendered which have been charged as rationalisation costs.

The group relief payment receivable from Pergamon was £2.51m (£3.25m). The 1982 figure was net of the amount attributed to extraordinary items.

The tax charge increased from £0.43m to £1.15m. After minorities of £14,000 (£96,000), exchange losses of £471,000 (£435,000 gains) and extraordinary charges of £2.2m (£15.85m), the net surplus came out at £11.12m, as against a deficit of £13.77m.

The extraordinary items comprised group rationalisation costs of £5.27m (£17.61m); profit on sale of properties £459,000 (nil); profit on sale of subsidiary £94,000 (nil); profit on redemption of debenture and loan stock nil (£1.37m); minority credits £8,000 (£385,000): less group relief receivable from Pergamon Group £2.51m (nil).

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
APV Holdings	7.7	May 25	6.8	10.5	9.6
Ingall Industries ...int	0.98	June 30	0.89	—	2.75
Jackson Exploration	1§†	June 15	1	1.5†	1.5
Johnson Gp Clners sec int	8	April 28	5.55	10.8	7.7
Sharna	1.33	May 23	1.08*	2.23	1.73*

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § U.S. currency throughout.

Johnson Cleaners advances 36% to £5.6m

TAXABLE PROFITS of Johnson Group Cleaners, the retail drycleaning and workwear and towel hire services concern, showed a 36 per cent advance from £4.12m to a record £5.61m for 1982. At halfway, the pretax figures were abeed from £2.14m to £2.61m.

A second interim dividend, in lieu of a finel, of 8p raises the total payment to 10.8p net—a 40 per cent increase over the pdevious' year's 7.7p. Earnings per 25p share were 33.91p (17.97p).

Group turnover improved from £43.99m to £50.73m, while trading profits were ahead to £6.04m (£4.66m). Dry cleaning turnover came to £36.41m (£30.45m) and profits £4.64m (£3.33m) and the respective figures for textile rental were £14.32m (£13.54m) and £1.12m (£1.05m). Income from nontrading properties added £280,000 (£277,000).

Interest charges decreased from £432,000 to £389,000 and there was also a pension fund contribution of £42,000 (£104,000). After a reduced tax charge of £1.16m (£1.75m) net profits were up 87 per cent from £2.37m to £4.45m.

Deferred tax of £1.58m (£181,480) has not been provided in respect of accelerated tax allowances on fixed assets and rental stocks purchased during the year.

Extraordinary credits showed a reduction from £753,000 to £328,000 and comprised £809,000 (£856,000) surpluses on sales of properties and £481,000 (£103,000) extraordinary costs.

Attributable profits came through at £4.78m (£3.12m), of which dividends absorb £1.44m (£1.03m).

• comment

Annual figures from Johnson Group Cleaners have given Sunligbt and Initial something to think about. It may be, of course, that the delayed Monopolies Commission report which went to the Trade Minister yesterday will ensure that tha two bids never get out of tha starting blocks but Johnson's 36 per cent pre-tax profit increase and its confident noises about the first quarter this year will beve lifted the likely bid price quite markedly. It was quoted at 220p before Sunlight's initial equivelent of 286p per share last summer and yesterday climbed 8p to 348p. Sunlight, too, has canght the benefit of a sectoral re-rating—prompted mostly by thonghts of bospital services privatisation—but it is a moot point whether its audacious reverse takeover proposals could be stretched to accommodate Johnson's current capitalisation of almost £38m. Johnson'e bistoric fully taxed p/e is 13.4 which suggests that it should be capable of pusbing any new ante comfortably over £40m. Sunlight may well recast its earlier terms but, given Monopolies clearance, Initial looks better suited financially to pusb a contested bid into round two and beyond. But it does have a very big slice of the contentious textile rental market and perhaps BET's other indirect cleaning interests have been taken into the reckoning.

Banking provision hits Authority Invs.

AN ADDITIONAL £3.72m provision in respect of liabilities for a guarantee to a banking subsidiary, belped to swing Authority Investments from a pre-tax profit of £516,301 to a loss of £3.68m in the year to September 30, 1982. Turnover was sharply lower at £1.11m against £2.13m.

Banking activities turned in a loss of £3.71m compared with a profit in the previous year of £503,619. This included the £3.72m provision made after the realisation by Knowsley and Co of tha security for certain debts, taken over as part of the 1974 acquisition of the London branch of Northern Commercial Trust. Last year's provision follows a write down of £4.53m in 1981, which proved insufficient to meet the liabilities under guarantee.

The compsny's accounts show shareboiders' funds reduced from £2.34m to £536,626. Earnings per ordinary share are stated as e deficit 73.76p against positive earnings in the previous year of 3.68p.

The results of other activities included an operating loss of £587,079 (1981 profit of £4,387) and profit on sale of investments of £811,990 (£8,295).

Second call at Britoil 'to pass without drama'

TODAY MARKS the closing date by which all Britoil shareholders must have paid the second instalment of their shares. The call amounts to 115p a share, and failure to pay by 3 pm—according to November's offer prospectus—"will render the first instalment liable to forfeiture and the acceptance liable to cancellation."

According to one of the merchant bankers involved in the Britoil flotation: "The vast majority of the second instalments have been paid, and it seems most unlikely that there are shareholders who would consider it not worth meeting the call and forfeiting their shares. However there was a time when this seemed a possibility."

At one point this year the part paid shares sank as low as 41p compared with the part paid offer price of 100p. But last Thursday, the fully paid shares gained 14p to 184p.

In part this gain represented the ending of uncertainty regarding the call, bnt also the first dealings in the fully paid shares coincided with the news of the BNOC oil price redetermination. This eased fears of an oil price war and caused price rises in most shares in the oil sector.

Yesterday the shares, fully paid, closed down 2p at 182p, still at a discount of more than 15 per cent to the 215p striking price. In the wake of last November's flotation, underwriters were left with over 70 per cent of the 51 per cent of Britoil sold by the Government.

Although a merchant banker involved with the company claimed that all those who wanted to sell their shares had now sold, one oil analyst yesterday said: "It will take a very, very long tima for the Britoil shares to recover from the opprobrium caused in the City by the flop of the original offer."

The analyst added: "Whether Britoil's reputation improves will depend on the extent to which it ceases to beheve like a nationalised industry. For example last month's preliminary statement was appalling in the lack of information it gave. There was no breakdown at all."

Town Centre Secs.

For the six months to the end of December 1982, Town Centre Securities showed increased profits before tax of £871,919 against £777,947 for the comparable period previously.

Group revenna before interest charges of this property developer and investor amounted to £1.72m against £1.53m.

APV rises above £17.5m and lifts payout by 0.9p

AS EXPECTED second half pretax profits of APV Holdings improved on those of the first six months and enabled the group to return figures of £17.59m for 1982, an increase of £1.2m over 1981's result.

The dividend is being raised for the sixteenth year running and goes up from 9.6p to 10.5p per 50p share by an increased final of 7.7p (6.8p).

Sir Ronald McIntosh, the chairman, says orders received in 1982 were up by 17 per cent on those of the previous year and that the improvement has continned into the current year.

For the remainder of the year mucb will depend on the pace of recovery in the U.S. but taking the group as a whole prospects in a number of principal markets are improving and although competition will remain keen as activity revives Sir Ronald expects the group to benefit from steps taken during the recession to improve efficiency.

Group turnover for 1982 expanded from £293.1m to £339m and at the trading level profits emerged at £20.07m, compared with £19.56m—APV manufactures and instals specialised process plant mainly in the fields of beat transfer and refrigeration.

APV Paramount in the UK made a substantial profit during the year after a loss in 1981 and there were strong performances from APV Equipment in the U.S. and APV Hall in South Africa.

These more than offset losses by the refrigeration companies at Dartford and a disappointing result from Crepaco. The group also benefited from a £660,000 currency gain.

Group pre-tax profits included associates losses of £50,000 (same) and were after taking account of lower interest charges of £2.42m, against £3.12m. Tax took £7.26m (£5.4m).

Below the line minorities accounted for £493,000 (£568,000) and extraordinary debits £3.49m (£490,000). This left attributable profits at £6.35m, well down on the previous year's £9.93m.

Earnings per share basic were 34.86p (37.27p) and 30.59p (32.41p) fully diluted.

Dividend payments will absorb £2.97m (£2.66m) leaving the retained surplus at £3.28m, against £7.17m.

Since 1980 the group has undertaken a major rationalisation programme to streamline its productive facilities. The cost in 1982 was nearly £3m and was charged as an extraordinary item.

It continued to invest in new technology, and capital expenditure during the year totalled £7m.

It is pointed out that its involvement in developing plant and processes for biotechnology is increasing and that prospects for profitable growth from the Accos automation system are "excellent."

By year-end shareholders' funds had increased by £10m to £101m. Borrowings showed a rednction of £6m.

Expectations of bigher second half earnings were given midyear wben profits reached £7.57m (£6.94m) at the pre-tax level. The chairman said then that trading conditions remained depressed but that the group's order book was healthy and indications were that it would enter 1983 with more orders in hand than it bad at the beginning of 1982.

He added that he expected profits in the second half of 1982 to be higher than those of the first six months and the result for the full year "to be broadly in lina with those of the previous year."

The group made profits of £19m in both 1979 and 1980.

• comment

Unlike the majority of engineering companies, APV bas held up remarkably well during the bard recessionary years. That resilience has not, however, been reflected in the share rating, with APV seemingly unable to escape being tarred with the same brush as the rest of the sector. The latest profit announcement—and more particularly the unexpectedly generous dividend hike—seems to have changed all that. Investors pushed the shares up 13p yesterday to 356p for a yield of 4.3 per cent and an historic fully taxed p/e of 12, both of which are considerably better than the sector average. The re-rated share seems fairly priced in the light of the £1.7m turnaround at APV Paramount and the optimistic outlook for the current year, both at bome and abroad. The Hall Thermotank refrigeration business, which lost over £0.5m last year, bas benefited from new marine contracts whicb should help stem the flow of red ink. In the U.S., Crepaco again disappointed with a modest £1.2m profit, but U.S. interests overall managed to maintain their contribution of 30 per cent of group profits. And order books are currently reflecting an upturn in the business environment. The growth potential of the biotechnology and of the business could add further polisb to the counter in the longer term.

Norton & Wright tops £0.8m

LOTTERY ticket producer Norion & Wright bas sbown a rapid rise in pre-tax profits from £106,000 to more than £800,000 for the year ended March 1983, and has announced further expansion into the printing business.

The final dividend will be maintained at 1.5p net per 10p share, making a total of 2.5p per share for the year, an effective increase of 50 per cent. A one-for-two scrip has been proposed.

There was a return to profits of £277,000 in the first half from a £239,000 taxable loss on turnover increased from £2.56m to £3.71m.

Norton organises 24 instant national lotteries and at the interim stage the overseas operation represented 51 per cent of turnover.

The company's latest acquisition is for certain assets and contracts of Bleckpool-based Adelaide Publishing for £783,000. Norton said that Adelaide's hotel stationery and brochures business would provide edvertising potential and an outlet for Norton's own stationery as well as increasing the efficiency of UK printing facilities.

In September, Norton bought four printing companies with a combined turnover of £2.5m but with combined losses in the previous year of more than £100,000. These companies range from general printing and personalised stationery to high quality colour printing and a new retail operation, Graphic Communications, which sells microcomputers and a computer typesetting service.

Norton bas undergone two years of management reorganisation and expansion after the collapse of the local authority lottery market.

The company is also planning to change its name to Norton Opax to incorporate in the group's title the name of its major subsidiary Opax Lotteries which operates the overseas business.

Second half jump at Sharna Ware

With second half pre-tax profits of Sharna Ware moving up from £505,871 to £647,089, the full year surplus of this plastic ware manufacturer moved ahead from £542,864 to £686,868 for 1982. Turnover rose from £17.35m to £20.66m.

Further profit improvement has been achieved by the manufacturing division, say the directors, and work is continuing to meet the challenges imposed by difficulties which have beset the toy industry. The acquisition of the assets and trade marks of Tri-ang Toys in January will further strengthen this division.

With regard to the current year's trading in the division, indications from the trade fairs are encouraging, supporting to some extent heavy investment in tooling and plant committed in recent years.

The cash and carry division further improved its results and in 1983 results will include a full contribution from a new 60,000 sq ft cash and carry warehouse opened in August 1982 at Birkenhead. The board is continuing with its policy of acquiring units of this size to enable the division to take advantage of benefits of scale associated with volume increases.

The sale of the cash and carry unit in Glasgow and the earlier disposal of mill property in Burnley has maintained the policy of realising assets not considered to be economically viable. The balance sheet reflects the determination of the board in this regard and the group is adequately equipped to make progress in the coming years.

The net final has been effectively lifted from 1.03455p to 1.3301p which raises the total from 1.73455p, adjusted for a 1-for-1 scrip, to 2.2301p.

Earnings per 20p share were given as 9.66p against 9.59p.

Tax was higher at £304,911 (£163,502) and there was an extraordinary debit this time of £31,000, which left attributable profits lower at £350,858 compared with £379,362.

On a current cost basis pretax profits were reduced to £490,000 (£319,000) and earnings per share came to 4.68p (3.94p).

Ingall interim advance to £235,000

TAXABLE PROFITS of Ingall Industries for the six months ended December 31, 1982, were in line with budgets and at £235,000 showed a "satisfactory" improvement over the £161,000 returned for the same period the previous year.

Current results are encouraging. The acquisitions made during the last six months are being integrated into the group and are all operating satisfactorily in line with expectations.

The purchase of Roberts and Brain, funeral directors, last January for £500,000 is expected to make a useful addition to the second six months results.

The net interim dividend is being increased from 0.89p to 0.98p per 10p share and the directors are confident that they will be able to recommend a 10 per cent increase in the total payout—last year's dividends totalled 2.75p and were paid from taxable profits of £511,000.

Sales for the first half of the current year of this light engineer and manufacturer of funeral furnishings were virtually static at £2.16m (£2.13m) but trading profits moved ahead by £105,000 to £283,000.

Interest charges were higher at £48,000, against £17,000, and tax took more at £122,000, compared with £84,000.

At the attributable level there was a surplus of £113,000 (£77,000), equal to earnings per share of 1.73p (1.19p). Interim dividends absorb £76,618 (£57,420).

Jackson Exploration tops forecast with £772,000

TEXAS-BASED oil and gas *explorer and producer Jackson* Exploration exceeded its forecast taxable profits of U.S.$1.08m for 1982—made at the time of its rights issue and full London Stock Exchange listing last December — with U.S.$1.15m (£772,000 at current rates). However this represents a fall of U.S.$2.01m compared with the previous year.

With stated earnings per share of 2.5 cents (7.4 cents) the final dividend is being maintained, as forecast, at 1 cent, giving a same again total of 1.5 cents.

Gross revenues increased by $1.98m to $11.13m due to a full year's contribution from the gas processing and transportation subsidiary Link Systems.

The directors say that as explained at the time of the rights issue, the main factors affecting the reduced profits are an increase in depletion and depreciation provisions of approximately $500,000 as a result of a reduction of *appraised gas reserves principally* of the South Katy and East Dudley Fields. Profits were also affected by a marked increase in general and administrative expenses primarily related to the opening of three new offices in South East Asia.

The Sedco 135A semisubmersible drilling vessel working offshore from Brunei spudded the East Fairley No 1 Well on March 28 1983, ahead of schedule, the directors say. The well will be drilled to a total depth of 10,500 ft, and they expect to announce the results late in May.

In Indonesia the seismic survey programme on the Adang Block was started in December 1982, they add.

The provision for deferred tax amounted to $148,613 ($210,124) leaving attributable earnings of $1m ($2.9m). Dividends absorb $700,000 ($580,000).

A.C. Cars

NET LOSSES up from £233,072 to £341,703 have been shown by A.C. Cars for the year to the end of September 1982. The figure for 1981 includes taxation released of £128,597.

At the interim stage the directors warned there would be no improvement in the second half, but said there should be some improvement in the first half of the next full year.

There is again no dividend for this close company—the last payment was 0.14p net in 1979. Losses per 5p share were given as increasing from 10.77p to 16.4p.

Turnover of this engineer and maker of high performance car, van and lorry bodies slipped from £1.98m to £1.44m.

Attributable losses rose from £214,502 to £329,310. There were extraordinary credits this time of £106,993 compared with previous debits of £67,640

Yearlings down

The interest rate for this week's issue of local authority bonds is 10¼ per cent, down one eighth of a percentage point from last week and compares with 14.0 per cent a year ago. The bonds are issued at par and are redeemable on April 11 1984.

A full list of issues will be published in tomorrow's edition.

RESULTS AND ACCOUNTS IN BRIEF

HEYWOOD WILLIAMS—Mr Ralph Hinchcliffe, chairman told the AGM the current financial year has started well. The aluminium extrusion and glass specialist was "comfortably ahead of last year." For the year as a whole, Mr Hinchcliffe said: "I am convinced that the results will show a considerable improvement over 1982 and will exceed the record profits achieved in 1979-80."

COMPCO HOLDINGS (property investment and development)—Pre-tax profit £199,073 (£166,698) for six months to September 25 1982. Tax £106,482 (£89,811). Earnings per 20p ordinary share 4.52p (3.86p). Since publication of full year's accounts to March 25 1982, rent review of the Great Portland Street, London, property has been settled to produce an increase in rents from £70,000 to £102,000 per annum with effect from December 1982. Income has continued to show satisfactory growth and it is expected that this will be reflected in the independent valuation of properties to be prepared as at March 1983.

ANGLO INVESTMENT TRUST—Unaudited net asset value of dividend shares approximately 46p per share at March 31 1983: Unaudited net asset value of asset shares approximately 404p per share.

Gencor sees no growth this year

BY GEORGE MILLING-STANLEY

THE CONTINUED volatility in the gold price and the industrial recession in South Africa mean that General Mining Union Corporation (Gencor) can expect no worthwhile growth this year, according to Mr Ted Pavitt, chairman.

This gloomy prediction contrasts with the forecast early last month, at the time of publication of the group's results for 1982, when Mr Pavitt said this year's performance might be an improvement on last year's.

Gencor, South Africa's second-largest mining and industrial finance house after Anglo American Corporation, made attributable profits of R267m (£164m) in 1982, and paid dividends totalling 175 cents a share.

Mr Pavitt expects a gradual upturn in the economies of South Africa's trading partners in the current year. There are also some favourable indications as to the likely course of the domestic economy, notably an improvement in the balance of payments, a slight fall in the rate of inflation and a bigger fall in interest rates.

On the other hand, he predicts that the rand will strengthen against other currencies, which can be expected to hit Gencor's export income.

Mr Pavitt said the group was maintaining the momentum of its exploration programme in southern Africa for gold, coal, and other metals and minerals, while exploration activities continue in Australia and Brazil.

Probably the most encouraging news on the exploration front comes from the Eendracht/Leandra area, which adjoins the Evander goldfield.

Gencor already has four producing gold mines in the Evander area, Winkelhaak, Bracken, Leslie and Kinross, and drilling nearby suggests that there may be a big enough tonnage of medium-grade gold-bearing ore to warrant exploitation as an adjunct to one of the existing mines.

A decision will not be made until further exploration work has been completed.

Gencor remains confident of the future of gold, although fluctuations in the price make planning extremely difficult, Mr Pavitt said.

The future for platinum looks a little more cloudy. The group's producer, Impala Platinum, is still maintaining its producer price at $475 an ounce, although poor demand means that free market prices are considerably lower than that.

If the present depressed level of industrial demand continues throughout the year, it seems unlikely that Impala will do as well as in 1982.

On the coal front, Mr Pavitt is expecting a further weakening in export prices this year. For the longer term, Gencor has proved up reserves in the northern Transveal suitable for the production of liquid fuels.

International round-up

EXPORTS OF polished emeralds from Israel fell U.S.$5m to $40m (£26.7m) last year, with demand suffering from the worldwide economic recession. Israeli cutters and polishers account for almost half of the world trade in polished emeralds.

Israel handles only top quality stones of African origin, because working cheaper qualities from South America would be uneconomical in view of the country's high labour costs, reports L. Daniel in Tel Aviv.

However, costs could soon be brought down as the world's first robot for cutting and polishing emeralds is now being developed, and should be available to Israeli plants within 18 months.

Details of this robot, and of a planned diversification into sapphires, will be given at a four-day conference to be held in the Tel Aviv Hilton later this month, with representatives from all sectors of the international precious stone industry.

* * *

Canada Tungsten Mining, which has remained in production longer than any other tungsten mine in the country, has finally admitted defeat and suspended operations. Any resumption will depend on an improvement in demand.

Cantung, owned as to 65 per cent by Amax of the U.S. and 20 per cent by Canada's Dome Mines, said that customers will be supplied from stocks, reports John Soganich in Toronto.

The company lost C$8.5m (£4.7m) in 1982, against profits of C$2.8m the year before.

Canada's Kiena Gold Mines has turned in a creditable performance during its first full year of operation at its gold mine near Val d'Or in north-western Quebec. From sales of C$30.4m (£16.9m), the company made net profits of C$3.7m.

Kiena came into production in the last quarter of 1981, and had sales revenues of C$7m and a net loss of C$58,000 for the period.

Falconbridge owns 68 per cent of Kiena.

* * *

The International Finance Corporation (IFC), an affiliate of the World Bank, has approved a loan of U.S.$4m (£2.67m) to Compania de Minas Buenaventura, in Peru. The funds will go towards the $22.1m cost of increasing silver production at three mines in the central and southern parts of the country.

The borrower, a private company, has arranged a further $8m in commercial bank credits and other financing.

By raising output to about 6.9m ounces of silver a year from the present 4.2m oz, the IFC estimates that Peru's foreign exchange earnings from silver exports may increase by around $20m a year.

* * *

The newly-formed St Andrew Goldfields has raised C$13m (£7.2m) for an ambitious exploration programme on the Stock Township gold property acquired from its parent company, Quebec Sturgeon River Mines.

The property lies to the east of Timmins in north-eastern Ontario, and contains an estimated 580,000 tonnes of ore grading an average of 0.14 ounces (4.35 grammes) of gold per ton.

The Toronto-based Westfield Minerals has acquired the right to earn a 50 per cent interest in 36 claims centred on the fast-rising Hemlo gold camp in north-western Ontario from Bel-Air Resources of Vancouver, in return for exploration spending of C$1m (£555,000) before March 31, 1987.

The property lies about three miles west of the high-grade gold deposits currently being examined by Lac Minerals, Noranda Mines and Teck Corporation.

Westfield reports that previous drilling has intersected traces of gold mineralisation and demonstrated a similar geological environment to the known deposits in the area.

In addition, Westfield has acquired an option running to the end of 1985 to earn an interest in the Scodding gold property of Northgate Exploration, 20 miles east of Sudbury, Ontario.

Three gold-bearing zones on the property are estimated to *contain 140,600 tons of ore* grading an average of 0.27 oz (8.4 grammes) of gold per ton.

* * *

Yesterday's extraordinary meeting of the London-registered Hampton Gold Mining Areas, called to approve a proposed rights issue, was told that construction and commissioning of the Paringa gold joint venture with Australia's CSR is now running two months ahead of schedule and under budget.

Lord Wakehurst, chairman, also disclosed that anthracite production from the Nesquehoning project in the U.S. started before the end of last year.

Wankie Colliery hit by weak coal sales

FALLS IN coal and coke demand in both domestic and export markets hit the results of Wankie Colliery in the year to end-February. Trading profits were Z$841,000 (£588,000), lower even than the Z$1.3m earned in the previous six-month accounting period.

The group's financial results were helped by an exceptional credit of Z$907,000, arising from the decision to include the value of coal stocks in the accounts for the first time.

Because of the requirements of the new power station under construction close to the mine site, Wankie is now holding significant stocks of coal.

The group attributed the poor performance to the fact that coal and coke prices, which are controlled by the Government, have remained unchanged throughout the year, while costs have risen.

Wankie is Zimbabwe's only coal producer, and is managed by South Africa's Anglo American Corporation, which has a stake of 20.2 per cent.

In October last year, the Government made its first significant investment in the mining industry with the purchase of a 40 per cent interest in Wankie.

A final dividend of 2 cents a share has been declared, making a total for the year of 5 cents. In addition, the Government will receive 1½ times the 2 cent payment on its holding of "A" ordinary shares, as prescribed by last year's agreement.

'New money'

The amount of "new money" raised in the UK by the issue of marketable securities in March was £170.3m, compared with £212.7m in the previous month and £239.8m in March 1982. This brings the total for the first quarter of the year to £740.4m considerably more than the £515.7m raised in the same period last year.

U.S. group to acquire full control of P. Brotherhood

BY CHARLES BATCHELOR

Thermo Electron, a U.S. manufacturer of energy control equipment, is to acquire full control of Peter Brotherhood, the loss-making Peterborough-based machinery and power plant group, in a deal which values Brotherhood at £610,000.

The UK group expects to make more than 200 of its 670-strong workforce redundant in a subsequent rationalisation which will be needed to bring it back to profits.

Thermo, based in Waltham, Massachusetts, took a 7 per cent stake in Brotherhood in November 1980 with no intention of increasing its holding. The depth of the recession and the failure of efforts to reorganise the group over the past two years have now prompted a full bid.

Thermo is offering 13.5p cash for each Brotherhood 50p share or 10p cash and one new redeemable preference share of 5p in a newly-formed company, Newco.

The announcement of the offer halved Brotherhood's market valuation when the shares fell 13p to 13p yesterday.

The company's directors own under 1 per cent of its shares but 70 per cent is held by about 20 institutions. Morgan Grenfell, the merchant bank which is advising Brotherhood, said that general discussions with a number of the institutions over the past few weeks had left it confident it would receive their support.

"The real key to our problems is volumes," said Mr Philip Salisbury, Brotherhood's managing director. "The recession has affected us throughout the world. We export 70 per cent of our production. We are still taking orders but not at a level to maintain 670 jobs."

Brotherhood reported a pre-tax loss of £642,000 in the six months ended September 30 1982 compared with a loss of £393,000 previously. Turnover fell to £5.5m from £6.44m.

The company expects to announce a smaller loss in the second half ended March 31 on turnover which recovered to £9.5m-£10m, to produce turnover for the year of £14.5m-£15m. In the year ending March 31 1984, however, Brotherhood foresees a fall in turnover to £10m-£11m.

Thermo's offer and the promise of financial support has persuaded Brotherhood's bankers to extend their loans.

Brotherhood hopes shortly to complete the sale of a sports ground and other surplus land and buildings to Peterborough City Council for about £750,000.

Thermo experienced a downturn in profits and turnover last year after several years of steady growth. It made an after-tax profit of $2.6m in 1982 compared with $8.9m previously on turnover which fell to $217m from $231m.

The Newco preference shares will have no dividend rights but will be redeemed at a premium of 15p each when the cumulative increase in Brotherhood's reserves from April 1 1983 exceeds £3.4m, but in any event not before March 31 1988.

BOARD MEETINGS

TODAY

Interims—A. Beckman, Trident Computer Services.

Finals—Brammer, Bruntons (Musselburgh), Christies International, Coates Brothers, Fothergill and Harvey, John L. Jacobs, Phoenix Assurance, Ruberoid, G. W. Sparrow, Sun Alliance and London Insurance, Arthur Wood, York Mount.

FUTURE DATES

Interims:—

Kalamazoo	Apr 13
Low (William)	Apr 14
McKechnie Brothers	Apr 21
Smiths Industries	Apr 12
Trans-Oceanic Trust	Apr 7
Tyzack (W. A.)	Apr 11
United Ceramic Distributors	Apr 14

Finals:—

Air Call	Apr 12
Associated British Ports	Apr 14
Bassford	Apr 14
British Mohair Spinners	Apr 13
Burmah Oil	Apr 13
Dewhirst (I. J.)	Apr 13
Dinkie Heel	Apr 8
Expamet International	Apr 12
Grattan	Apr 7
Greenbank Industrial	Apr 7
Hambro Life Assurance	Apr 19
Hewden-Stuart Plant	Apr 13
International Thomson	Apr 7
Johnston Group	Apr 12
Lamont	Apr 12
London Brick	Apr 14
Menzies (John)	Apr 26
Northern Engineering Industries	Apr 12
Reed (Austin)	Apr 14
Rio Tinto-Zinc	Apr 14
Rockware	Apr 13
Taylor Woodrow	Apr 14

Allied-Lyons expands in North America

BY CHARLES BATCHELOR

Allied-Lyons has expanded its North American interests with the purchase of companies in the ice cream and bakery mixes sectors for a combined $10m (£6.7m) cash.

Baskin-Robbins, an Allied subsidiary, has acquired ice cream factories and related territorial franchises in Arizona and Michigan.

As an independent company Baskin-Robbins introduced a franchise system to speed up its expansion but Allied is now buying these franchises back where possible, said Mr Len Badham, managing director of the J. Lyons food group.

The company is keen to buy two or three more of these outstanding franchises should the owners decide to sell.

In a separate transaction D.C.A. Industries, an Allied subsidiary in New York, has bought Thomas A. Steeves, a privately-owned manufacturer of branded and private label mixes for the bakery industry, based in Vancouver, Canada.

DCA already has a plant in Ontario and had considered setting up in Vancouver to serve the other main centre of population in Canada. The purchase of Steeves, which has annual turnover of about C$5m, will speed up penetration of the West coast by DCA.

Allied declined to breakdown the value of the two deals. "They are small but both are tactically important," said Mr Badham. "They will make a very useful contribution to profits."

In August 1982 Tetley, Allied's U.S. tea and coffee subsidiary, paid about £10m cash for Schonbrunn and Company, a New Jersey-based coffee producer.

Throgmorton critical of Pentland unitisation plan

BY CLIVE WOLMAN

CITY-BASED Throgmorton Trust yesterday produced the formal offer document to acquire the capital of the Pentland Investment Trust, managed in Edinburgh, which is valued at £52m.

The takeover bid is being opposed by the East of Scotland Investment Managers who manage Pentland's portfolio.

The document criticises the counter-proposal made by Pentland's managers to merge Pentland with two other Scottish investment trusts and to re-cast their assets worth nearly £110m into four or five specialist unit trusts and one general unit trust.

Throgmorton chairman Mr Maurice Elderfield claims that Pentland's proposed unitisation will put its shareholders' money in "a field where the proposed managers have limited experience." He also seeks to use a recent statement of Sir Robert Erskine-Hill, the chairman of Pentland, against him.

Pentland shareholders are being offered an approximate 50-50 mixture of shares in Throgmorton and debentures redeemable in 2010. The value of Throgmorton shares will be set at a discount of 20 per cent to the investment trust's net asset value, while the debentures will bear interest at an annual rate of 1.4 per cent higher than the gross redemption yield of a comparable long-dated gilt-edged security.

The offer is worth 97 per cent of Pentland's net asset value, which is about 300p per share. Pentland's share price rose 1p yesterday to 272p while Throgmorton's remained unchanged at 144p, a discount of about 26 per cent to net asset value.

Acceptances of the Throgmorton offer must be received by April 26, the document states. Throgmorton is to hold an extraordinary general meeting to reorganise its capital on the same day.

Dowable holds 19.7% of CAI

BY DAVID DODWELL

The Dowable consortium, created specifically to bid for Cope Allman International, the packaging, leisure and engineering group, revealed yesterday—the eve of the first closing date for its 60p a share offer—that it held 19.7 per cent of Cope Allman's shares.

The announcement coincided with a further call by the Cope Allman board for shareholders to reject the "opportunistic bid" from Dowable.

This latest flurry of appeals to shareholders followed last week's formal defence document from Cope Allman. This included a pre-tax profits forecast of £2.6m for the first half of 1983—compared with a £880,000 loss in the comparable period of 1982.

In its latest statement, Cope Allman says: "Dowable concentrates on history whereas shareholders are more concerned with the present and the future. By adopting such tactics, Dowable hopes to gain for itself the emerging benefits which are now showing through strongly. These belong to shareholders."

To provide further support for these recovery claims, the company is in the process of preparing a full-year dividend forecast, and a forecast for profits for the first half of the coming financial year, which starts in July.

Dowable, which is headed by Mr David Wickins, chairman of British Car Auctions and Attwoods, and includes Michael Ashcroft's Hawley Group, Mr Evan Cornish's Lin Pac, and two Robert Fleming investment trusts, made the bid a month ago. It values Cope Allman at £23.7m.

Consortium members yesterday gave no hint that a higher bid was in the offing. Promising a statement tomorrow morning, one member said: "Right now, we really feel that people have to make their minds up. We see no reason for a higher bid."

Second City sees £1.8m

The directors of Second City Properties and their financial advisers consider the terms of the offer for the company from Beazer (Holdings) to be fair and reasonable and unanimously recommend acceptance.

In a letter to shareholders, the Second City directors forecast that for the full year to April 30 1983 profits before tax will be approximately £1.8m and that after deduction of about £390,000 tax earnings will amount to around £1.41m.

An independent professional valuation of Second City's investment property portfolio as at March 4 1983 showed that the investment properties had an aggregate open market value of £13.0m, representing a surplus over book value at that date of approximately £2.34m.

Net tangible assets of Second City at April 30 1982, taken in conjunction with the surplus arising on the property revaluation and the forecast earnings for the year to April 1983 and after deduction of the interim dividend already declared, give rise to a net asset value of approximately £18.86m or 80p per share.

Aerospace Eng. purchases to cost less than forecast

Aerospace Engineering yesterday revealed that the cost of purchasing two subsidiaries from Vickers would be substantially lower than forecast two months ago because Vickers had been able to call in some of the subsidiaries' debts.

Aerospace, quoted on the USM, had expected to pay £3m for the fluid power and nuclear engineering divisions of Vickers. Revealing full details of the acquisition yesterday, the company said the total consideration would now be £1.9m.

The purchase will be funded in part by placing 750,000 shares at 146p apiece, and in part out of Aerospace's cash resources. The company recently reported pre-tax profits of £605,000 for the six months to October 31 1982, on a turnover of £2m.

The two subsidiaries, based at South Marston in Wiltshire, yesterday forecast adjusted net profits before exceptional items, interest and tax of £216,000 for 1982. This would compare with almost £500,000 in 1981 and £400,000 in 1980.

ATCOST BUYOUT

Receivers of the Atcost Group, Mr P. Copp and Mr R. Hocking of Stoy Hayward and Partners, have disposed of the group's concrete manufacturing business at Bishop Auckland, County Durham, to Tirdale, which is in the course of changing its name to Bishop Auckland Precast Concrete.

Tirdale was formed by the former manager at Bishop Auckland, Mr M. Thompson, and has gained the support of the Durham County Council and the Department of Industry.

KELSEY INDUSTRIES

The listing of Kelsey Industries has been restored as from 9.30 am yesterday, as a result of the tender having been published.

The tender offer by Kelsey to purchase up to 768,000 of its own ordinary shares (20 per cent) at a maximum of 240p has been accepted up to and including 218p. All successful tenders accepted at 218p.

Applications at 218p have been scaled down to approximately 27.3 per cent of the amount tendered.

BENN BROS. BUYING THE ACCOUNTANT

Benn Brothers is to buy the weekly magazine The Accountant from Gee Publishers, a subsidiary of the International Thomson Organisation for £200,000 in cash.

Tolley, the tax specialist subsidiary of the business journals and directories publisher Benn, will publish The Accountant from April 15. Tolley will also control the magazine's annual awards, but Gee will continue to publish The Accountant Diary.

The Accountant, one of the oldest of a dozen periodicals for accountants, has come under increasing pressure from rivals and Tolley plans major changes over the next few months "to establish it as a leading independent weekly."

Tolley, which became part of the Benn group 10 years ago, publishes tax annuals and a newsletter. The Accountant will be its first weekly magazine.

Benn says net profits attributable to this acquisition will not be significant for group profits for the year to June 1983.

REECE CORP.

Jatel and Lawrie Plantation Holdings have increased their stake in U.S.-based Reece Corporation to 200,000 common shares, 8.1 per cent.

THE NEW THROGMORTON TRUST P.L.C.

Capital Loan Stock Valuation—5th April 1983

The Net Asset Value of £1 of Capital Loan Stock is 392.18p calculated on Formula 1. Securities valued at middle market prices.

LADBROKE INDEX

based on FT Index

651-656 (−4)

Tel.: 01-493 5261

BASE LENDING RATES

A.B.N. Bank	10½%	■ Guinness Mahon	10½%
Al Baraka International	10½%	■ Hambros Bank	10½%
Allied Irish Bank	10½%	Heritable & Gen. Trust	10½%
Amro Bank	10½%	■ Hill Samuel	§10½%
Henry Ansbacher	10½%	C. Hoare & Co.	†10½%
Arbuthnot Latham	10½%	Hongkong & Shanghai	10½%
Armco Trust Ltd.	10½%	Kingsnorth Trust Ltd.	12 %
Associates Cap. Corp.	11 %	Knowsley & Co. Ltd.	11 %
Banco de Bilbao	10½%	Lloyds Bank	10½%
Bank Hapoalim BM	10½%	Mallinhall Limited	10½%
BCCI	10½%	Edward Manson & Co.	12 %
Bank of Ireland	10½%	Midland Bank	10½%
Bank Leumi (UK) plc	10½%	■ Morgan Grenfell	10½%
Bank of Cyprus	10½%	National Westminster	10½%
Bank Street Sec. Ltd.	10½%	Norwich Gen. Tst	10½%
Banque Belge Ltd.	10½%	P. S. Refson & Co.	10½%
Banque du Rhone	11½%	Royal Trust Co. Canada	10½%
Barclays Bank	10½%	Roxburghe Guarantee	11 %
Beneficial Trust Ltd.	11½%	Slavenburg's Bank	10½%
Bremar Holdings Ltd.	11½%	Standard Chartered	‖10½%
Brit. Bank of Mid. East	10½%	Trade Dev. Bank	10½%
■ Brown Shipley	11 %	Trustee Savings Bank	10½%
Canada Perm't Trust	11 %	TCB	10½%
Castle Court Trust Ltd.	11 %	United Bank of Kuwait	10½%
Cayzer Ltd.	10½%	Volkskas Intl. Ltd.	10½%
Cedar Holdings	11 %	Westpac Banking Corp.	10½%
■ Charterhouse Japhet	10½%	Whiteaway Laidlaw	11 %
Choulartons	11½%	Williams & Glyn's	10½%
Citibank Savings	¶10 %	Wintrust Secs. Ltd.	10½%
Clydesdale Bank	10½%	Yorkshire Bank	10½%
C. E. Coates	11 %		
Comm. Bk. of N. East	10½%		
Consolidated Credits	10½%		
Co-operative Bank	*10½%		
The Cyprus Popular Bk	10½%		
Duncan Lawrie	10½%		
E. T. Trust	11½%		
Exeter Trust Ltd.	11½%		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	11½%		
Grindlays Bank	‡10½%		

■ Members of the Accepting Houses Committee.

* 7-day deposits 7.5%; 1-month 7.75%. Short-term £8,000/12 months 10.1%.

† 7-day deposits on sums of: under £10,000 7½%, £10,000 up to £50,000 8¼%, £50,000 and over 9%.

‡ Call-deposits £1,000 and over 7½%.

‖ 21-day deposits over £1,000 8½%.

§ Demand deposits 7½%.

¶ Mortgage base rate.

Granville & Co. Limited

(formerly M. J. H. Nightingale & Co. Limited).

27/28 Lovat Lane London EC3R 8EB — Telephone 01-621 1212

Over-the-Counter Market

1982-83 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	134	—	6.4	4.6	7.8	10.2
158	117	Ass. Brit. Ind. CULS	150	—	10.0	9.7	—	—
74	57	Airsprung Group	63	—	6.1	9.7	16.0	19.0
46	32	Armitage & Rhodes	32	—	4.3	13.4	3.8	6.3
314	197	Bardon Hill	312	—	11.4	3.7	13.1	18.5
137	100	CCL 11pc Conv. Pref.	137	—	15.7	11.5	—	—
270	210	Cindico Group	210	—	17.6	8.4	—	—
86	52	Deborah Services	52	—	6.0	11.5	3.4	8.3
92	77	Frank Horsell	92	—	—	—	7.7	8.2
90½	75½	Frank Horsell Pr Ord 87	90½	—	8.7	9.6	10.1	10.8
83	61	Frederick Parker	82	—	7.1	11.5	3.9	6.2
55	34	George Blair	34	—	—	—	5.9	12.3
100	74	Ind. Precision Castings	78	—	7.3	9.4	10.0	12.6
158	100	Isis Conv. Pref.	158	—	15.7	10.1	—	—
143	94	Jackson Group	143	—	7.5	5.2	4.4	9.1
202	111	James Burrough	202	—	9.6	4.8	14.7	19.4
260	148	Robert Jenkins	148	—	20.0	13.6	1.8	23.5
83	54	Scruttons "A"	70	—	5.7	8.1	9.1	10.6
167	112	Torday & Carlisle	112	—	11.4	10.2	5.0	8.6
29	21	Unilock Holdings	25½	—	0.46	1.9	—	—
85	64	Walter Alexander	64	—	6.4	10.0	4.6	8.6
270	214	W. S. Yeates	263xd	—	17.1	6.5	4.1	9.4

Prices now available on Prestel page 48146.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

THERE ARE few better views of London than from Plessey's headquarters on the 22nd floor of the Millbank Tower. Looking eastward, the panorama unfolds from Westminster along the curve of the Thames to the City and beyond. But it is western prospects which really set senior executives' pulses racing.

For the U.S. today holds the key to the company's future. Plessey is staking its hopes and sizeable financial resources on a bid to establish itself there as a leader in technologically advanced products ranging from public telephone exchanges to satellite communications equipment and office automation systems.

The strategy, which will test the company in a huge, fast-changing and intensely competitive market, is a calculated gamble. By its own admission Plessey has reached a turning point where it must either shoot for a place in the big league of world-class electronics manufacturers or risk retreat in the longer term to a shrinking UK base.

That Plessey should be thinking in such global terms is a mark of the recovery it has made in the past few years. Founded in 1917 by Sir Allen Clark, a brilliant entrepreneur, whose sons Sir John and Michael are chairman and deputy chairman respectively, it seemed by the early 1970s to have badly lost its way.

Its once sparkling profits record fizzled out as it struggled to hold together a heterogeneous collection of businesses based heavily on engineering sub-contracting. An ill-judged attempt to diversify into the U.S. in 1970 turned into a fiasco, and in 1976 the company's troubles were compounded when it was caught severely off-balance by a sharp cutback in Post Office exchange orders.

In those days, much of what was said about the company by City analysts was virtually unprintable. But today, after a dramatic improvement in profits—which soared almost 30 per cent in the first three quarters of last year — Plessey has regained investors' favour and commands one of the most glamorous price/earnings ratios on the London Stock Exchange.

The company is currently negotiating with Burroughs, one of the largest non-IBM computer companies in the U.S., on a proposal to exchange telecommunications technology for the data processing expertise which Plessey lacks. The association, which is not expected to involve any equity link, would complete a triangle of deals which Plessey hopes to weld into the platform for its transatlantic expansion.

Last autumn it acquired for £33m the public switching business of Stromberg-Carlson, an old-established telecommunications manufacturer with a solid — though latterly rather sleepy — reputation. In January, it announced plans to buy 12 per cent of Scientific-Atlanta, a fast-growing maker of satellite earth stations and cable television equipment, which would cost almost $60m at the recent share price. It has options to increase its stake to 30 per cent. The two companies have also agreed to set up a UK joint venture.

"It is hard to fault Plessey's strategy," says Ian Cole, an electronics industry analyst with stockbrokers James Capel. "But much depends on whether its management is good enough to turn round Stromberg-Carlson and make the most of the Scientific-Atlanta relationship."

Confidence in the company has undoubtedly improved as a result of the tighter management grip and extensive rationalisation measures taken since Peter Marshall joined Plessey as finance director in 1977. Marshall, who previously worked for Noreros, the diversified industrial group, is also a deputy chief executive and chairman of the telecommunications and office systems division.

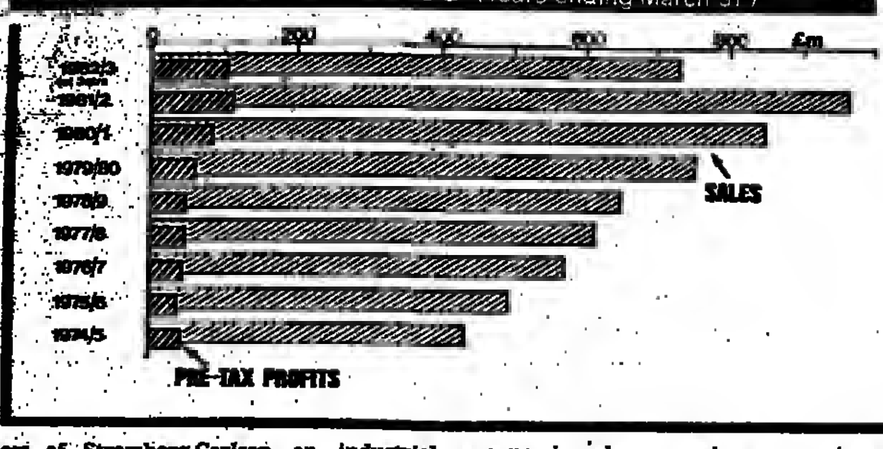
An exhaustive inventory of the company's activities has led to the cutting out of much deadwood. It has shed the loss-making Garrard turntable business, production plants in Brazil and Portugal and several smaller peripheral activities. Net cash balances, boosted by the sale of a stake in ICL for £33.5m four years ago, have risen to about £200m.

Why Plessey must play for high stakes in the U.S.

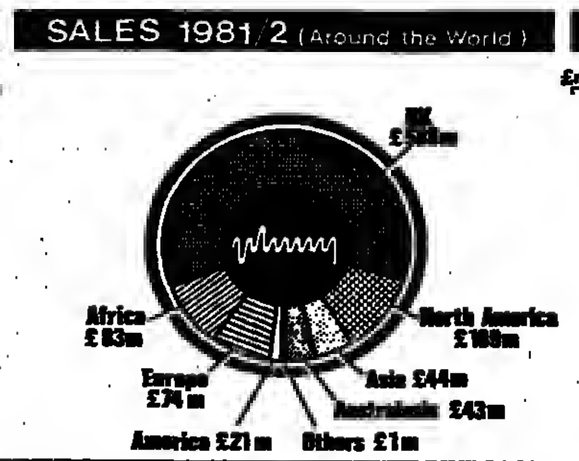
BY GUY de JONQUIERES

Peter Marshall, Plessey's deputy chief executive and chairman of its telecommunications and office systems divisions; Des Pitcher, the division's managing director; and Sydney Topol, chairman and president of Scientific-Atlanta

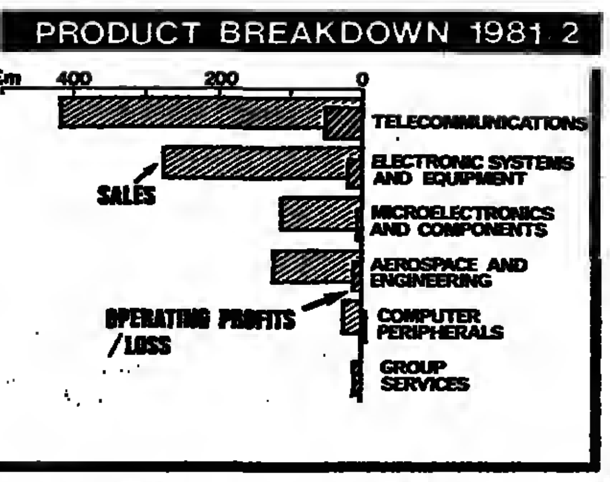
PLESSEY'S PROGRESS (Years ending March 31)



SALES 1981/2 (Around the World)



PRODUCT BREAKDOWN 1981/2



The past five years have seen a sustained drive to achieve greater technological and commercial independence. Plessey's research laboratories at Caswell, near Northampton, have achieved a number of significant breakthroughs, notably in opto-electronics. Its solid-state components business moved into profit about 18 months ago and sales are running at about £40m a year, almost two-thirds of which is exported.

The major effort has been in communications — also an important part of Plessey's defence work — which Marshall calls "the powerhouse of the business." The top priority has been to develop a complete range of products utilising the latest digital technology.

That goal should soon be in sight. Plessey's new large private exchange, the fully digital IDX, went on sale in January and 20 units were shipped to customers last month. It also makes the smaller Monarch exchange, developed jointly with GEC and British Telecom (BT), and is developing a line of low-cost digital key systems to be launched next year. Until these are ready it plans to fill the gap with models designed in Japan.

The lynchpin fell into place last autumn, when Plessey was appointed prime contractor for the development of the System X public exchange after a violent shake-up in BT's supply arrangements, which left Plessey and GEC as the sole manufacturers.

Under the new scheme, the development contracts must be done on a fixed-price basis, providing Plessey with a stiff incentive to perform. Completing them satisfactorily will be "an acid test," according to Desmond Pitcher, managing director of telecommunications and office systems. Plessey must also step up sharply production of the all-electronic System X, currently only about 10 per cent of its main exchange business, while phasing out over the next two years production of electro-mechanical TXE4/4A exchanges which are three times bigger.

The focus on telecommunications has clearly paid off: in the last full financial year to March 1982, it accounted for 40 per cent of Plessey's total sales of £968.1m and almost 55 per cent of its £111.4m pre-tax profit. But its growing importance cuts both ways.

Liberalisation of the British telecommunications market is bringing new competition in the supply of subscriber equipment. Though Plessey appears confident of holding much of its market share, pressure on margins seems certain to grow. Moreover, BT, which accounted for almost half of Plessey's total UK sales of £588m last year, is getting much tougher with its traditional suppliers.

Plessey says that it foresaw this situation as long ago as 1978. It concluded that the only way to support its expanded investment in new product development was to seek out new and bigger markets. "It's a question of phenomenon of scale," says Sir John Clark. "We took the view that we needed 5 to 6 per cent of the world telecommunications market to secure our long-term future." By the end of this decade, he expects the entire UK market to be only about 3 per cent of the world total.

Plessey had early on identified the U.S., with its £30bn a year market and relatively free access for foreign suppliers, as a prime target. What spurred the company into action was the anti-trust settlement reached in January last year between American Telephone and Telegraph and the U.S. government.

The settlement should open up the market by requiring AT&T to divest its 22 Bell System operating companies, which serve about 85 per cent of U.S. subscribers. At present, they buy almost all their £10bn a year of equipment from AT&T's huge manufacturing arm, Western Electric.

According to Marshall, Plessey chose Stromberg-Carlson "because it was the only competent company available." It bought the main exchange business from United Technologies, after General Dynamics, Stromberg's previous owner, had refused to sell the company other than as a package.

The decision to pursue Stromberg, which had shown signs of drifting into a backwater while owned by General Dynamics, was reached only after extensive debate. Some senior executives were cautious about venturing into the U.S. again after their experience with Alloys Unlimited, which plunged into loss soon after Plessey bought it in 1970.

Even more worrying was that Plessey was chasing Stromberg while its future role in System X was still in doubt. Fear that Plessey's whole international strategy could be wrecked if it acquired Stromberg but was squeezed out of System X disturbed more than one top manager's sleep at the time.

Apart from a well-established reputation, Stromberg has a team of 320 experienced engineers, a 50-strong sales force and manufacturing facilities which are already producing a line of digital main exchanges, of which it claims to be the biggest U.S. independent supplier. Total sales this year are expected to be about £100m.

Stromberg's main exchange business has lost money for several years but is expected to move into the black in the next year, during which Plessey plans to invest 15m in it. It aims to update Stromberg's exchanges with technology derived from System X and to develop common components for both systems. It hopes later this decade to design a second-generation digital switch which would draw on Stromberg and System X technology.

In the meantime, Pitcher believes that some System X exchanges could be sold in the U.S., and plans to start making a version of the IDX at Stromberg's Florida plant next year. But a resolution must be found first to a lawsuit brought by Rolm, an American telecommunications manufacturer, which alleges that the IDX infringes its patents.

Plessey will not yet say how it plans to market subscriber equipment, such as private exchanges, in the U.S. Stromberg's private equipment sales force went to United Technoligies and Plessey will be up against companies such as Rolm, and Northern Telecom of Canada, which possess their own distribution networks.

Competition is also likely to be stiff in the main exchange business. Western Electric (which could re-equip the entire UK telephone system in two years at its current rate of output) is unlikely to give ground without a fight. Other contenders include GTE, International Telephone and Telegraph, Northern Telecom, Sweden's L.M. Ericsson and France's CIT Alcatel.

Plessey is banking, however, on its link with Scientific-Atlanta and its planned deal with *Burroughs* to position itself as a full-range supplier of advanced communications technologies which go well beyond traditional telephony to embrace satellite broadcasting, video-conferencing and cable television.

It is already working closely with Scientific on research and development. Sidney Topol, Scientific's chairman, is enthusiastic about the opportunities for collaboration open to the two companies in Western Europe, the Middle East and Australia as well as the U.S.

Assembling the different elements of the U.S. strategy is likely to absorb a good deal of Plessey's managers' time—and part of the company's cash pile. "A number of our businesses in areas of increasing opportunity require investment and won't always be able to finance growth out of their own resources," says Marshall.

Exactly how the pieces will lock together, and when they will begin to produce real dividends, is still unclear. But one thing, at least, seems certain: if Plessey is to maintain its new momentum and remain master of its own destiny, the strategy is condemned to suceed.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Rent arrears and receiver

Six years ago we let a building to a company for which a receiver has now been appointed. Is the receiver obliged to treat rent arrears as a prior claim? He wishes to stay in for 12 more weeks. We supply electricity and water through our own master meter, and have charged the tenant each quarter. Is the receiver obliged to pay the arrears owing for these two supplies? Could we discontinue supply, if he refuses to pay the arrears prior to his taking over his duty?

Is the receiver standing in the shoes of the original limited company tenant and liable for his past actions and under the covenants of the agreed lease? What is the fundamental difference between the liabilities of a receiver to a landlord, as against that of a liquidator carrying out a compulsory liquidation?

Rent and other debts due from the company prior to the appointment of the receiver are not preferential debts, but rank with other unsecured creditors' claims. If, however, the receiver has agreed to a specified continuance of the lease, the rent and other outgoings must be paid by him in full. You cannot discontinue services for non-payment of the arrears before the date of the receiver's appointment. Claims which you may have against the company for breach of covenant are likewise debts of the company which rank with the general body of creditors. The receiver has a duty only to get in assets of the company and to pay out the creditor who appointed him — not to wind up the company. A liquidator is only appointed on a winding up and so has to liquidate all the affairs of the company; as such he has special powers to disclaim a lease which he regards as onerous to the company. You can of course petition for a compulsory liquidation of the company if more than £200 is owed for arrears of rent and outgoings and it is not paid.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

AUTHORISED UNIT TRUSTS

[illegible]

FT UNIT TRUST INFORMATION SERVICE

[illegible]

INSURANCES

[illegible]

TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

Series	June Vol.	June Last	Sept. Vol.	Sept. Last	Dec. Vol.	Dec. Last	Stock
D/FL C F.275	2	2.90	—	—	—	—	F.273.32
D/FL P F.260	30	1.20	—	—	—	—	„
D/FL P F.265	3	4	—	—	—	—	„
D/FL P F.270	2	5.50	—	—	—	—	„
SILV C $10	42	1.90	1	2.50	6	3	$11
SILV C $11	72	1.30	2	1.60	—	—	„
SILV P $10	16	0.40	—	—	—	—	„
SILV P $11	20	0.70	—	—	2	1.40	„
	May		Aug.		Nov.		
GOLD C $400	46	41.50	1	66	—	—	$427.75
GOLD C $425	59	21	12	40	1	50	„
GOLD C $450	40	10	21	28	33	37 B	„
GOLD C $475	17	3	34	20	—	—	„
GOLD C $500	62	6.00	16	11	—	—	„
GOLD C $550	13	1	—	—	10	13 A	„
GOLD P $350	6	0.50	—	—	—	—	„
GOLD P $375	40	6.50	—	—	—	—	„
GOLD P $400	69	3.50	66	15	10	12	„
GOLD P $425	62	13	2	35	—	—	„
GOLD P $475	—	—	11	67	—	—	„
GOLD P $500	30	74 B	—	—	—	—	„
12¼ NL 81 87-91							
C F.122.50	20	10	—	—	—	—	F.133
C F.126	4	7.50	—	—	—	—	„
C F.127.50	11	6	—	—	—	—	„
C F.130	10	2.80	—	—	200	4	„
C F.136	150	0.20	358	1.50	6	1.60	„
C F.140	—	—	—	—	10	0.90	„
P F.130	—	—	85	2.20	3	6.10	„
P F.136	—	—	—	—	3	6	„
10¾ NL 80 86-95							
C F.115	6	0.50 A	2	1	—	—	F.113.20
11¼ NL 82 88-92							
C F.107.50	150	7.50	—	—	—	—	F.115.90
C F.112.50	1	6	—	—	—	—	„
C F.115	13	1.30	—	—	—	—	„
10½ NL 82 86-82							
C F.107.50	1	2.50	—	—	—	—	F.110
10 NL 82-11 86-89							
C F.107.50	3	2.70	—	—	—	—	F.110.70
7¾ NL 82 89-93							
P F.102.50	10	3	—	—	—	—	F.110.20
	April		July		Oct.		
AKZO C F.50	27	8.80	66	10	—	—	F.59
AKZO C F.55	85	4.20	106	7.50	—	—	„
AKZO C F.60	260	1.50	187	4.70	46	8	„
AKZO P F.55	—	—	26	3.20	—	—	„
AKZO P F.60	320	1.70	—	—	—	—	„
AMRO C F.50	41	11	—	—	—	—	F.60.90
AMRO C F.55	—	—	47	7.50	—	—	„
AMRO C F.60	—	—	44	6.50	48	7	„
AMRO C F.65	—	—	30	3.50	110	4.60	„
GIST P F.150	40	1.10	—	—	—	—	F.155.50
HEIN C F.120	67	15.50 A	—	—	—	—	F.133.10
HEIN C F.130	262	6	62	2.60	—	—	„
HEIN P F.130	216	0.80	—	—	—	—	„
HOOG C F.22.50	66	6	—	—	—	—	F.24.50
HOOG C F.25	—	—	—	—	26	3.80	„
KLM C F.150	46	6.80	—	—	74	17	F.154.60
KLM C F.160	135	2.70	48	2	84	16	„
KLM C F.170	69	0.50	62	4.50	—	—	„
KLM P F.150	49	2.20	—	—	60	17.50	„
KLM P F.160	35	7.90	—	—	74	24	„
NEDL P F.100	28	0.90	—	—	—	—	F.105
NATN C F.130	—	—	30	18.60 B	—	—	F.146.50
PHIL C F.27.50	225	16.50	—	—	—	—	F.43.90
PHIL C F.30	36	14.20	36	16.70	—	—	„
PHIL C F.32.50	—	—	—	—	27	11.90	„
PHIL C F.35	29	8.60	—	—	30	8.80	„
PHIL C F.40	387	4.10	272	5.70	182	7.10	„
PHIL C F.45	—	—	406	6.60 A	422	4.80	„
PHIL P F.45	—	—	27	3	—	—	„
RD C F.90	71	23	46	23.50	—	—	F.116
RD C F.100	650	16	403	13.20	80	15	„
RD C F.110	1857	4.30	893	7.50	565	2	„
RD P F.90	—	—	35	0.50	62	1.20	„
RD P F.100	200	0.10	50	1.80	—	—	„
RD P F.110	98	1.50	145	4.70 B	27	8.90	„
UNIL C F.220	106	3.20	14	10	18	12	F.218.20
UNIL P F.190	—	—	30	2	20	3.50	„

TOTAL VOLUME IN CONTRACTS 16,227

A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		CALLS April	CALLS July	CALLS Oct.	PUTS April	PUTS July	PUTS Oct.
BP (USP 342)	260	84	—	—	1	—	—
„ „	280	64	—	—	1½	—	—
„ „	300	44	64	62	2	7	12
„ „	330	13	60	38	6	14	20
„ „	360	3	12	—	20	30	—
CGF (USP 490)	420	73	88	—	2	2	—
„ „	460	37	55	67	6	22	27
„ „	500	12	33	42	20	33	45
„ „	550	6	16	24	62	67	73
„ „	600	1	3	11	—	117	—
CTD (USP 94)	70	25	27	29	1	1½	6
„ „	80	16	17	12	1	2½	4
„ „	90	6	8	12	1½	4	3
„ „	150	1½	3	6	7	10	12
CUA (USP 134)	120	15	20	26	1	6	4
„ „	130	6	13	17	4	7	2
„ „	140	1½	8	11	2	13	13
„ „	160	1	3	8	28	29	61
GEC (USP 198)	180	24	30	40	2	3	8
„ „	127	2	—	—	6	—	—
„ „	200	—	17	26	—	11	16
„ „	217	1	—	—	22	—	—
„ „	220	—	10	17	—	27	36
„ „	237	0½	—	—	41	—	—
„ „	240	—	3	—	—	44	—
„ „	260	0¼	3	—	64	64	—
GM (USP 320)	260	62	—	—	1	—	—
„ „	280	42	52	—	1	4	—
„ „	300	22	34	41	3	11	14
„ „	330	4	17	24	12	21	24
„ „	360	1	8	13	42	42	43
„ „	390	1	4	6	—	72	73
ICI (USP 394)	280	—	—	—	1	—	—
„ „	300	98	106	—	1	—	—
„ „	330	68	76	—	1	4	—
„ „	360	38	46	50	2	8	10
„ „	320	16	28	38	3	16	18
„ „	420	6	14	20	26	33	36
LS (USP 312)	260	52	58	64	1	3	—
„ „	280	32	38	44	2	3	10
„ „	300	13	21	30	4	14	18
„ „	330	2	10	13	21	29	31
M & S (USP 188)	160	40	—	—	1½	—	—
„ „	180	21	31	36	3	3	2
„ „	200	6	19	25	8	16	17
„ „	220	1	2	13	25	27	50
„ „	240	1	6	—	44	44	—

Option		April	July	Oct.	April	July	Oct.
SHL (USP 472)	390	84	92	100	1	2	3
„ „	420	64	64	72	1½	6	10
„ „	460	16	28	36	8	16	24

Option		May	Aug.	Nov.	May	Aug.	Nov.
BRL (USP 454)	360	93	105	—	1	2	—
„ „	390	63	73	—	2	4	—
„ „	420	37	47	52	4	11	16
„ „	460	10	20	38	23	30	40
„ „	500	4	13	24	37	42	78
IMP (USP 109)	90	21	—	—	1	—	—
„ „	100	12	—	—	3	—	—
„ „	110	7	11	13	4	6	8
„ „	120	3	6	8	12	13	13
„ „	130	1½	3	4	22	22	23
LMO (USP 236)	210	38	48	50	4	11	16
„ „	230	23	35	45	8	16	20
„ „	250	11	23	35	18	23	28
„ „	270	6	16	22	35	43	60
„ „	290	1	6	—	65	50	—
„ „	320	1	3	—	85	90	—
„ „	360	1	—	—	113	—	—
„ „	380	1	—	—	158	—	—
LNR (USP 82)	80	7	2½	12	3	3½	3
„ „	90	2	6	7	10	12	14
„ „	100	0¾	2½	3½	12	21	23
P & O (USP 139)	100	42	43	—	0¼	1	—
„ „	110	32	33	—	0½	2	—
„ „	120	22	23	26	1	6	7
„ „	130	13	13	20	2	7	10
„ „	140	7	10	14	7	14	17
„ „	160	1½	4	3	21	27	28
RCL (USP 431)	420	27	45	50	11	18	27
„ „	460	10	23	32	37	42	45
„ „	500	2	10	18	74	74	80
„ „	550	2	4	—	124	124	—
„ „	600	1	2	—	174	174	—
„ „	650	1	—	—	224	—	—
RTZ (USP 509)	390	122	—	—	1	—	—
„ „	420	92	97	—	2	—	—
„ „	460	67	67	—	7	16	—
„ „	500	28	40	67	18	30	42
„ „	550	11	20	32	45	62	62
VRF (USP $106)	60	—	—	—	1	—	—
„ „	70	—	—	—	1	—	—
„ „	80	—	—	—	2	—	—
„ „	90	12	22½	26½	4	8	3
„ „	100	10½	18	19½	6	2½	11½
„ „	110	5½	10½	14½	10	16½	18
„ „	120	3	3½	11	14	18	26
„ „	130	2	3	7½	24	—	31½
„ „	140	0¾	6	4	—	—	—

Option		CALLS June	CALLS Sept.	CALLS Dec.	PUTS June	PUTS Sept.	PUTS Dec.
BHM (USP 378)	360	66	40	50	7	10	12
„ „	390	13	23	28	22	25	50
GKN (USP 177)	160	22	27	31	3	6	3
„ „	180	2	14	12	10	14	16

Apr. 5 Total Contracts 2,385 Calls 1,961 Puts 424

INSURANCE & OVERSEAS MANAGED FUNDS

OFFSHORE AND OVERSEAS

Phoenix International
PO Box 77, St. Peter Port, Guern. 0481 26741

Inter-Dollar Fund	$4.10	4.50	.....	—
Far East Fund	$2.80	3.02	.....	—
Intl Currency Fund	$1.73	1.87	.....	—
Dollar Fxd. Int. Fund	$3.44	3.71	.....	—
Ster. Exempt Gilt Fd.	£2.10	2.27	.....	—

Providence Capital International Ltd.
PO Box 121, St Peter Port, Guernsey 0481 26726/9

UK Stockmarket	£1.298	1.396	.....	—
Intl. Stockmarket	$0.939	1.010	.....	—
World Technology	$0.998	1.073	.....	—
N. Am. Stockmarket	$1.197	1.287	.....	—
Far East	$0.871	0.936	.....	—
UK Fixed Interest	£1.179	1.267	.....	—
Intl. Fixed Int.	$1.094	1.177	.....	—
Intl. Currency	$0.983	1.057	.....	—
Intl. Money Market	$1.025	1.102	.....	—
U.K. Money Market	£1.012	1.088	.....	—
Stlg. Mangd. Fd.	£1.120	1.204	.....	—
Dollar Mangd. Fd.	$1.056	1.135	.....	—

Savings Target Rate 5⅞.
Prices on Mar 23. Next dealing Mar 30.

Quest Fund Man. (Jersey) Ltd.
PO Box 194, St Helier, Jersey. 0534 27441

Quest Stlg. Fxd. IM	£0.807	0.855	.....	10.536
Quest Intl. Secs.	$1.006	1.062	.....	1.29
Quest Intl. Bd.	$0.855	8.905	.....	10.636

Prices on March 30. Next dealing April 6.

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.22	+0.08	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	37.1	38.6	.....	3.10
Chinese Fund	76.3	79.4	.....	1.70
Precious Metal Fund	123.3	128.4	.....	8.30
Vanguard Cmdy. Fd.	44.8	45.9	.....	2.26
Financial Futures Fd.	114.0	118.7	.....	—
Wren Intl. Fnd.*	$0.886	0.923	.....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. 7 Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for April 5.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Amex O/S Fin 10¼ 90	100	95¼	95⅝	–	–	11.21
Amro Bank 13 88	200	105½	105⅝	−0⅛	0	11.74
British Col Hyd 10¼ 88	200	97⅞	98¼	0	+0⅛	10.79
British Col Hyd 15¼ 92	150	117	117½	+0⅛	+0¼	12.03
Canada 14⅛ 87	750	111	111½	+0⅛	+0¼	10.88
Candair Ltd 12½ 89	175	104⅝	105⅛	+0⅛	+0¼	11.38
Canadian Wheat 11¼ 90	50	100¼	100⅝	0	+0⅛	11.12
Can Pac Sec 15 89	75	109½	110⅛	0	+0¼	12.60
Citicorp O/S 15 84/92	100	104⅛	104⅝	0	0	10.83
Coca Cola Int 9⅛ 92	100	24¾	25¼	+0⅛	+0⅛	10.73
Coca Cola Int 11⅝ 89	100	104¾	105½	0	+0⅛	10.54
[illegible]						

	Issued	Bid	Offer	Change on day	week	Yield
Japan Airlines 7⅛ 87	5†	101	101½	+0¼	+0⅛	7.48
New Zealand 7⅝ 89	15	99½	100½	–	–	7.61
World Bank 8⅝ 92	20	103¼	103⅞	0	0	7.81

Av. price changes: on day 0, on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Cepme 12½ 93 CS	50†	96½	97	+0¼	+0⅛	13.23
Farm Credit 12⅛ 93 CS	50†	99⅝	100⅛	0	+0⅛	12.12
Gaz de France 15 89 CS	75†	106⅝	106⅞	0	0	13.37
Gaz Metro 14½ 92 CS	40†	103	104	0	−0⅛	13.78
Pancanadian 12½ 93 CS	50†	98	98½	0	+0⅛	12.82
Quebec Hydro 14 92 CS	60†	106½	106⅝	0	+0⅛	12.77
Swed Exp CR 12¼ 88 CS	50†	101	101½	0	+0⅛	11.87
[illegible]						

[illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Air Canada 5½ 95	100	92⅝	93⅝	–	[illegible]	[illegible]
American Express 4¾ 93	100	98½	99⅛	+0⅛	[illegible]	[illegible]
Asian D.B. 5⅝ 95	100	99¼	99½	+0¼	[illegible]	[illegible]
BTR Finance 5⅝ 93	75	98	98¼	+0¼	[illegible]	[illegible]
Carls-Tuborg Brw 5¾ 93	60	101¾	102	–	[illegible]	[illegible]
Chugoku Ele Pow 6½ 91	100	102½	102¾	+0⅛	[illegible]	[illegible]
Chujitsuya Co 5¾ 93	50	97¾	98	+0¼	[illegible]	[illegible]
Ex-Im Bk Japan 5 93	100	98½	98¾	−0¼	[illegible]	[illegible]
First Interstate 8 92	100	103½	104	+0⅛	[illegible]	[illegible]
Gaz de France 6 93	100†	101	101¼	+0¼	[illegible]	[illegible]
Gothenburg Airport 6 93	50	100	100¼	0	[illegible]	[illegible]
RCA Finance 5 93	100	97	97½	+0⅛	[illegible]	[illegible]
Kyushu Elec Power 6 92	100	100⅝	100¾	+0⅛	[illegible]	[illegible]
Manitoba Prov 5¼ 93	100	101½	101¾	+0⅛	[illegible]	[illegible]
Nippon Express Co 6 93	50	100⅝	101	−0½	[illegible]	[illegible]
Nippon Kokan 5⅝ 93	100	96¼	96½	+0½	[illegible]	[illegible]
Norsk Hydro 5½ 98	100	98⅝	98⅞	+0⅛	[illegible]	[illegible]
O.K.G. 6⅝ 93	60	101⅝	102	+0¼	[illegible]	[illegible]
Quebec 5¾ 92	100	102⅜	102⅝	−0⅛	[illegible]	[illegible]
Shikoku Elec Pow 5⅝ 93	100	97¾	98	+0¼	[illegible]	[illegible]
Tohoku Elec Power 6 93	100	99⅝	99⅞	+0⅛	[illegible]	[illegible]
Transcanada Pipe 5¾ 93	100	99¼	99½	+0¼	[illegible]	[illegible]
Trisec Corp 6¼ 91	100	99¾	100	–	–	6.27
Union Bk Norway 5¾ 93	60	99½	99¾	+1	+1½	5.56
Volvo 5⅝ 91	80	101¼	101½	−0⅛	+0⅛	5.16
World Bank 5½ 93	100	100⅝	100⅞	−0⅛	+0⅛	5.43

Av. price changes: on day +¼, on week +½

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Australia 8⅝ 92	15	105⅛	106⅛	0	−0⅛	7.76
E.I.B. 8⅛ 92	15	102½	102⅞	0	0	7.85

[illegible]

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day — Change on day. Cnv. date — First date for conversion into shares. Cnv. price — Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem — Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

LONDON RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. only for restricted dividends. ● Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

Strong demand for $100m Eurobond launched by UBS

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT IN LONDON

UNION BANK of Switzerland yesterday served up a forceful reminder of the power of Swiss banks in international finance.

Its new $100m, five year Eurobond was a quick sell-out in an otherwise dull market despite a coupon of only 10 per cent, far below levels on other recent issues. The bond, which is priced at par and issued in the name of Union Bank of Switzerland Finance NV, is led by UBS (Securities) and Morgan Stanley.

Yesterday afternoon it was trading at a discount of ⅜ points, well within the 1¼ point selling concession with lead managers unable to fulfil all the potential demand from underwriters.

In part its success was due to the fact that this was an issue from a highly-regarded name with the five-year maturity that appeals to investors, but several investment bankers were also quick to point out that its performance actually says more about UBS itself than about the market in general.

With its huge placing power UBS was able comfortably to stash away more than half the issue in its own in-house accounts. This created a shortage of the paper elsewhere in the market where there is still demand for good quality issues.

More representative of the true level of the bond market, many bankers felt, was yesterday's other new issue in the dollar sector, a $100m, five year bond for the Industrial Bank of Japan (IBJ). Like the UBS issue this will be subject to an interest rate swap whereby IBJ will end up with cheap floating-rate debt by exchanging the fixed-rate obligations for floating rate ones incurred by an unspecified counter-party.

The IBJ issue is led by IBJ International, S. G. Warburg and Morgan Stanley. Its coupon has been set at 10⅞ per cent and issue price is par. Yesterday it was trading at a discount of 1⅛, also well within the selling concession, but at a more typical yield in today's market of 11.18 per cent.

The performance of the IBJ issue suggests that the Eurobond market is receptive to selected new issues, despite last week's sharp rise in key short term rates in New York.

Already yesterday the key Federal Funds rate had slipped to 8⅞ per cent, well down on its peak last week of 10⅜. But investment bankers in Europe cautioned that a more significant fall will be needed to inject much life into the Eurodollar bond market, which closed quietly firmer yesterday.

In other new issue activity Credit Foncier de France is raising Fl 100m through an 8½ per cent, ten year issue to be priced later by lead managers Nederlandsche Middenstandsbank. DG Bank is raising SwFr 100m through an eight year bond with an indicated yield of 5⅝ per cent led by Handelsbank and the World Bank has launched a Y20bn, 12 year Samurai issue with a coupon of 8 per cent and issue price of 99½ through Daiwa securities.

● **Mary Ann Sieghart writes:** Chase Manhattan is to boost its swap operations in the bond markets and has recruited three members of Bankers Trust International's swap team. Mr Sanjay Sathe, Mr Hans von Meiss and Ms Megumi Oka will move to Chase.

FINANCIAL TIMES
Wednesday April 6 1983

Association will protect tin producers, Page 29

WALL STREET

Institutions resist temptation

U.S. FINANCIAL markets remained under the spell of short-term interest rates yesterday. Some excitement was kindled at the opening of the session after a senior, but unidentified, official of the Federal Reserve Board was reported as saying lnng-term interest rates were too high, in view of the slackening of inflationary pressures and the need to nurture the economic recovery, *writes Terry Byland in New York.*

Bond prices opened higher in response, but the gains represented little more than mark-ups by the market traders. When it became clear that the investment institutions would not be tempted back into the market, the early gains were cut back.

Gains on share markets were replaced with small losses towards the end of the session. Selling was light hut the absence of the major institutional investors left prices unsupported.

At the close, the Dow Jones industrial average was 7.45 points off at 1120.16.

A further discouragement to the rally in bond prices was a fresh rise in the Federal Funds rate to 9½ per cent. At this level the Federal Reserve intervened with $2bn in customer repurchases, making a total of $6bn since the end of last week.

The market made little response to the Fed's move. It was noted that the Fed has acted to hold the funds rate down to around 9 per cent, but not to try to push it any lower.

By midsession three-month Treasury bills stood at a discount of 8.58 per cent with the six-month bills at 8.58 per cent. The benchmark long bond, the Treasury 10⅜ of 2012 had been as high as 98⅛ before reacting to 97¹⁵⁄₃₂.

The corporate bond sector saw a batch of new issues, including $125m in 10-year bonds for Delta Airlines and $200m in 40-year bonds for Sobel.

Meanwhile there was renewed demand for oil stocks which attracted institutional huyers in the past three trading sessions. Atlantic Richfield again headed the list of active stocks at midsession, rising $¼ to $42. Standard Oil nf Ohio, $3–$4 higher at $44, also attracted the buyers. Exxon traded $1–$8 up at $31⅛.

Among the leading industrials, General Motors regained $½ to $58¾ and Chrysler at $17⅛ recorded a block trade.

IBM strengthened to $103, a gain of $⅞, after the announcement of a new range of equipment. Also in the information processing sector Data General added $3¾ to $65 in active trading after pleasing the market with its latest trading results.

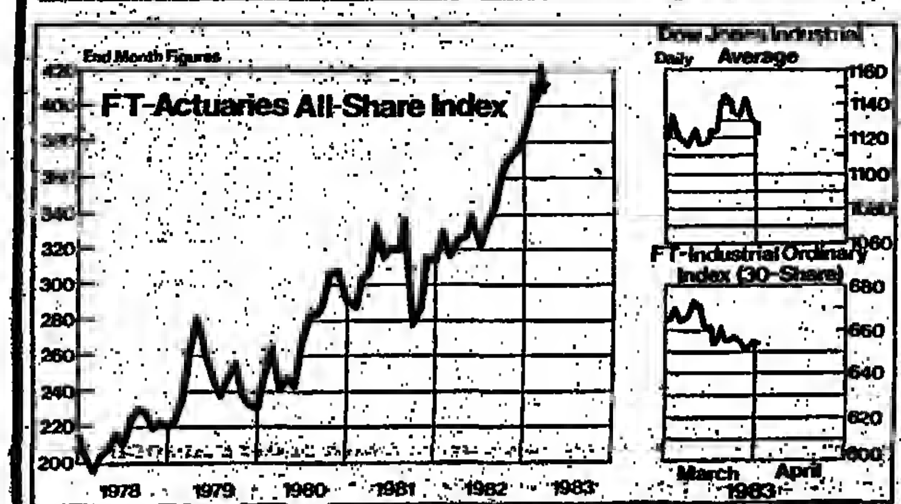
Tandy, the personal computer manufacturer, gained $⅜ to $57½ on the news of sharply increased sales. A weak spot was Prime Computer which fell $6 to $35 after forecasting lower profits in the first quarter.

Airline stocks firmed up, headed by Pan American at $5¼, a gain of $¼ and UAL, $⅜ better at $34. Trans World jumped $1⅞ to $36⅝ in response to a claim by Odyssey Partners that its plan to break up the company could bring in more than twice the current share price.

Shares in Baldwin-United rose $1⅜ to $14¼ after the board said it was near agreement on postponement of bank debt payments.

Stocks were firmer in **Toronto**, but the trading pace continued to be slow. All 14 of the stock groups moved bigher, paced by gains in the golds, oils and real estate sectors. **Montreal** stocks were also slightly ahead, led by industrial and utilities, as banks showed weakness.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Apr 5	Previous	Year ago
NEW YORK			
DJ Industrials	1120.16	1127.61	835.33
DJ Transport	503.10	508.99	339.14
DJ Utilities	124.68	125.05	110.16
S&P Composite	153.67*	153.01	114.73
LONDON			
FT Ind Ord	654.0	655.1	571.0
FT-A All-share	412.09	411.94	315.98
FT-A 500	446.82	446.16	338.77
FT-A Ind	414.34	414.27	309.55
FT Gold mines	582.5	559.7	257.4
FT Govt secs	80.97	80.82	69.34
TOKYO			
Nikkei-Dow	8420.34	8485.82	7344.35
Tokyo SE	610.59	614.55	539.56
AUSTRALIA			
All Ord.	515.7	512.7	461.2
Metals & Mins.	475.3	469.3	325.4
AUSTRIA			
Credit Aktien	52.89	52.38	53.42
BELGIUM			
Belgian SE	117.43	116.16	102.43
CANADA			
Toronto Composite	2168.3*	2156.0	1580.70
Montreal Industrials	363.83*	361.94	278.85
Combined	359.21*	357.79	265.81
DENMARK			
Copenhagen SE	131.92	133.21	94.91
FRANCE			
CAC Gen	115.7	114.80	100.0
Ind. Tendance	123.4	122.40	113.4
WEST GERMANY			
FAZ-Aktien	301.46	301.44	239.45
Commerzbank	909.3	909.0	729.8
HONG KONG			
Hang Seng	closed	996.01	1196.27
ITALY			
Banca Comm.	210.73	213.2	198.22
NETHERLANDS			
ANP-CBS Gen	127.4	127.1	92.4
ANP-CBS Ind	127.1	108.4	73.9
NORWAY			
Oslo SE	154.16	153.63	100.39
SINGAPORE			
Straits Times	858.08	865.29	737.24
SOUTH AFRICA			
Golds	closed	759.5	478.7
Industrials	closed	834.8	591.3
SPAIN			
Madrid SE	113.36	112.37	124.68
SWEDEN			
J & P	1280.13	1269.40	577.02
SWITZERLAND			
Swiss Bank Ind	314.5	314.2	262.1
WORLD	Apr 4	Prev	Yr ago
Capital Int'l	166.1	166.1	130.7

GOLD (per ounce)

	April 5	Prev
London	$430.00	$414.50
Frankfurt	$429.25	$414.50
Zürich	$427.50	$414.50
Paris (fixing)	$429.06	$418.44
New York (April)	$428.80	$427.50

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR Apr 5	U.S. DOLLAR Previous	STERLING Apr 5	STERLING Previous
£	1.5025	1.4835	–	–
DM	2.4205	2.4265	3.64	3.60¼
Yen	237.70	238.85	357½	354½
FFr	7.26	7.27	10.90½	10.78½
SwFr	2.0570	2.0830	3.09¼	3.09¾
Guilder	2.7275	2.7310	4.10	4.05½
Lira	1440¼	1445	2164	2143
BFr	48.16	48.18	72.35	71.50
C$	1.2355	1.2335	1.8550	1.8290

INTEREST RATES

	April 5	Prev
Euro-currencies (three month offered rate)		
£	10 7/16	10⅜
SwFr	4 5/16	4
DM	5 1/16	5
FFr	13⅜	13
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 13/16	9⅝
6-month U.S.$	9 15/16	9 11/16
U.S. Fed Funds	9⅝	9⅝
U.S. 3-month CDs	9.25	9.15
U.S. 3-month T-bills	8.48	8.63

U.S. Treasury Bonds

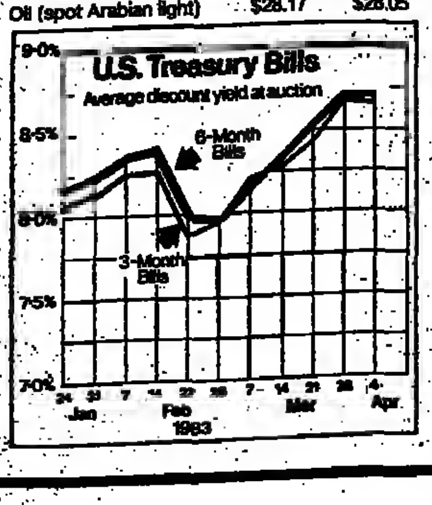
	April 5 Price	April 5 Yield	Prev Price	Prev Yield
9⅝ 1985	99 23/32*	9.78*	99 19/32	9.85
10½ 1990	100 12/32*	10.41*	100 6/32	10.48
10⅜ 1993	102 6/32*	10.52*	101 24/32	10.57
10⅜ 2012	98*	10.59*	97 14/32	10.65

FINANCIAL FUTURES

	Latest	High	Low	Prev
CHICAGO				
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	77–07	77–08	76–14	76–07
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.55	91.57	91.35	91.28
Cert Deposit (IMM) $1m points of 100%				
June	90.86	90.87	90.59	90.57
LONDON				
Three-month Eurodollar $1m points of 100%				
June	90.40	90.43	90.29	90.29
20-year Notional Gilt £50,000 32nds of 100%				
June	104–18	104–23	104–12	104–05

LONDON COMMODITY MARKETS

	April 5	Prev
Silver (spot fixing)	731.20p	708.0p
Copper (cash)	£1105.00	£1103.75
Coffee (March)	£1827.00	£1898.00
Oil (spot Arabian light)	$28.17	$28.05



EUROPE

Rate outlook provides strong prop

A SOFTER dollar and pointers to an easing in interest rates provided a two-pronged impetus to bourse prices yesterday, although Wall Street's overnigbt wavering bad a detrimental effect in many centres.

A late surge took **Frankfurt** strongly upward as buyers from abroad moved in. Dealers said trading was also stimulated by the introduction of simplified rules fnr the options market, thus generating fresh demand for the underlying shares.

Although blue chips were to the fore, the gains were inadequately reflected in the midsession calculations of the Commerzbank index of 60 leaders, 0.3 firmer by that stage at a 13-year high of 909.3, and its 100-share FAZ counterpart, a bare 0.02 higher at 301.46.

Banks were more subdued, showing rises of 80 Pfg each for Commerzbank and Dresdner to DM 160.80 and DM 171.30 respectively. Deutsche Bank, a laggard last week, picked up DM 1.60 to DM 326. Public authority bonds were neglected but steady, and the Bundesbank sold DM 6.3m in paper, down from Thursday's DM 35.1m worth.

Brussels was buoyed by an expected bank rate cut after the Banque Nationale de Belgique trimmed rates on short-term Treasury certificates by a quarter-point to 11.75 per cent. Fairly active trading took stocks mainly higher, with Gevaert up BFr 80 to BFr 2,180 and Kredietbank BFr 90 to BFr 5,590.

Steels were generally lower, however. Arbed shed BFr 24 to BFr 1,142 despite reports that the Luxembourg Government was proposing a five-year aid package.

A half-point fall in Dutch call money was of little help to an unsettled **Amsterdam**, however. Domestic issues drew comfort from a fall in the country's producer price index for January but internationals showed mixed fortunes.

Royal Dutch added Fl 3.20 to Fl 113 but Unilever slipped Fl 1.20 to Fl 218.30.

Insurance issues were in demand in a steady **Zurich** session, allowing rises of SwFr 65 apiece for Winterthur at SwFr 2,975 and Zurich Insurance at SwFr 17,300. Of the financials Oerlikon-Bührle improved SwFr 30 to SwFr 1,480. The industrials were featured hy a SwFr 75 gain for retailer Glnbus at SwFr 2,725.

Domestic bonds displayed setbacks for new issues, with the par-priced Canton of Berne ending its first day at 99¼.

A quietly firmer trend developed in **Paris** nn selective foreign support. Bouygues in constructions added FFr 17 to FFr 607. Electricals showed Thomson-CSF FFr 7 stronger at FFr 205.

Milan was also quiet but displayed weakness, especially in banks and insurances. Banca Commerciale, which later reported a 1982 income boost, shed L900 to L33,900 and Generali L2,525 to L135,950.

An otherwise weaker **Vienna** featured a Sch 29 leap by Steyr-Daimler-Puch to Sch 156. **Madrid** revived, with Banco Bilbao eight points ahead at 248 per cent of nominal value.

AUSTRALIA

Stores busy

THE RETAIL stores sector was again the focus of **Sydney** interest as Grace Bros – the target of a A$260m takeover offer from Bond Corporation – surged 55 cents to A$4 while Bond held at A$1.01 and Myer Emporium, reputed to be preparing a counter-bid, shed 10 cents to A$1.35.

Turnover in Grace Bros reached 208,589 shares, a substantial portion of the low overall volume worth some A$10.25m.

Resources provided the greatest weight in a general cautious advance, taking the All Ordinaries index three points higher at 515.7. Santos, leading an oil and gas rally, moved up 20 cents to A$4.60 and Vamgas a similar amount to A$6.20.

Melbourne remained closed after Easter, as did the **Johannesburg** market.

LONDON

Sterling's recovery aids gilts

STERLING'S continued recovery – the rate went above $1.50 and was also sharply better against nther leading currencies – ensured early firmness in London stock markets when business resumed yesterday after the Easter holiday. Financial year-end factors, however, again limited trade and nnly the gilt-edged sector was able to maintain the initial improvement.

The current upward pressures nn sbnrt-term U.S. interest rates and reports of a division among Federal Reserve policy-making officials over the conduct of monetary policy, failed to dissuade London gilt-edged investors.

Funds were directed mainly to the longer-end of the market, still free of Government tap, and selected high-coupon issues rose ¼ mnre. Still inhibited by end-year considerations, the shorts struggled to hold gains of about ⅛.

Equity markets began the final leg of the three-week trading account briskly, helped by transactions involving the establishment of capital gains nr losses.

Attention was soon diverted to Thomas Tilling on news that BTR was attempting to purchase 14.99 per cent nf its equity capital at 175p per share. Tilling jumped 40p to match the price nffered, but the raid was unsuccessful since less than balf of the desired number of shares was acquired.

BTR fell sharply to 432p and, being a constituent of the FT Industrial Ordinary index, influenced the measure. Movements among remaining constituents were generally small and varied, but the index closed at 654.0, down 1.1, which was attributable to BTR. On a broader scale, falls in FT-qunted industrials outnumbered rises by seven to four.

South African golds and financials staged another strong advance, boosted by the renewed firmness of the bullion price.

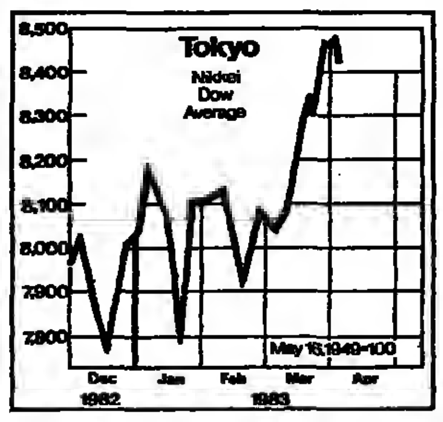
The sharp gains in U.S. markets during the UK bnliday ensured a firm opening in London. Thereafter prices made gradual, but significant, progress throughout the session to close at or around the day's best levels.

The FT Gold Mines index posted a further 22.8 gain at 582.5, to show a rise of 51 points nver the past three trading days.

The outstanding performances in the heavyweigths came from Vaal Reefs and Randfontein which both moved up around £3, to £71⅝ and £90⅝ respectively.

London financials met persistent demand and closed with substantial gains. RTZ featured with a rise nf 12p at 17p and attracted significant suppnrt in after-hours trading, ahead of the figures due on April 14.

Golds were prominent in an ntherwise quietly firm Australian sector. *Share infnrmation service, Pages 30–31*



FAR EAST

Tokyo seeks equilibrium in reversal

A HALT was called yesterday to the Tokyo market's two-week excursion at record levels as speculatives and international populars alike yielded to sporadic profit-taking.

The consensus among dealers was that the market merely needed a breathing space, with investors becoming uneasy at the unparalleled heights attained by the Nikkei-Dow Jones market average, which came back 65.48 to 8,420.34.

Volume was on the thin side, bowever, at some 280m shares; and one hroker greeted the downturn as a chance for the overall market to catch up with the higher priced issues, without whicb it would become overstretched.

The stock exchange index relinquished 3.96 to finish at 610.59, and losses outnumbered gains by 443 to 235.

The Japanese Government's stimulatory economic package, unveiled yesterday, had been largely discounted in advance and had nn significant impact.

Electrical, precision instrument and pharmaceutical issues showed marked falls. Sony shed Y70 to Y3,520. Hitachi Y9 to Y776, Fuji Phnto Film Y20 to Y1,660 and Sharp Y10 to Y1,230.

Sekisui Chemical, which announced an advance in mnnitoring health during pregnancy, nonetheless slipped Y2 to Y335. Tnyota fell Y20 to Y1,040 hut Hnnda recovered Y7 to Y820 after a Y37 slide on Monday.

Government bond prices eased in ligbt trading, with yields up six basis points at the long end. Banking officials said the flntatinn nf new 10-year natinnal bonds, expected within a few days, wnuld mark the start nf "windnw" sales by the hanks to the public.

The absence of huying support in **Singapore** showed itself in a further downward drift in prices, leaving the Straits Times industrial index 7.21 off at 856.08 in moderate trading.

Fraser and Neave moved 20 cents lower to S$7.60, Hume industries the same amount to S$5.20, Straits Trading and Development Bank 10 cents each to S$6.20 and S$9 respectively.

Selangnr Properties, Singapore Land and Hong Leong Industries also lost 10 cents to a respective S$5.35, S$8 and S$8.20.

Haw Par, which sold another 3.7m shares in Cheung Kong of Hong Kong – reducing its stake to 5m shares and producing an extraordinary profit put at S$8.5m – eased four cents to S$2.76. Hnng Kong itself was clnsed for the Ching Ming festival.

Prices at 3pm, April 5

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Ch'ge Prev. Close

B—B—B

C—C—C

D—D—D

E—E—E

F—F—F

G—G—G

H—H—H

I—I—I

J—J—J

K—K—K

L—L—L

M—M—M

N—N—N

Continued on Page 27

AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, April 5

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
2¾	⅛	Branch				1	1⅛	1⅛	1⅛	
23⅝	9½	Brason	pf.50e			39	23¼	23	23	
11¾	6¾	Delarm			16	42	11⅛	10¾	10⅞	
10½	2⅝	DeRose				25	54	8⅝	8⅝	+⅛
[illegible]										

Continued on Page 28

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 26

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
79½	43¾	Nortrp	1.80	2.5	200	43	73¼	72	72	−1⅛
51½	23⅝	NwstAir	.80	1.7	204	758	48	47	47	−1
28⅝	17	NwtBcp	1.80	6.6	9	102	27⅛	27	27⅛	−⅛
19¾	12⅝	NwstEn	1.40	8.8	6	135	16¼	15⅞	16⅛	−⅛
20⅛	15¼	NwEn	pf2.12	11.		50	19¼	19⅛	19⅛	−⅛
71¼	32½	Nwtlnd	2.68	7.8	4	551	34⅞	34	34⅛	
25	18⅛	NwtP	pf2.50	11.		7	21⅞	21⅞	21⅞	
25¼	14⅝	NwStW	.10j			6	24¼	24¼	24¼	
38⅝	23¼	Norton	2	5.0	35	314	u40¼	39⅝	40	+½
26⅝	16¼	NorSim	1.06	4.7	11	140	23⅛	22⅞	22⅞	
54⅛	37⅛	Novo	.28e	.6	20	201	49¾	49⅝	49⅝	−⅞
78¾	34⅛	Nucor	.56	.7	24	42	77½	77¼	77¼	−⅞
46⅝	18¼	NutrS	s.32	1.4	11	96	23⅝	22⅝	23	+⅛
		O–O–O								
28¼	6	Oakind	.24	2.1	48	383	11½	11⅛	11½	+⅛
23⅛	17	OcciPet	2.60	13.	28	1167	19½	19¼	19⅜	−⅛
19¾	16	OcciP	pf2.50	13.		27	19½	19⅛	19¼	+⅛
17	13½	OcciP	pf2.12	13.		1	16⅝	16⅝	16⅝	+⅛
17⅞	14⅝	OcciP	pf2.30	13.		7	17½	17¼	17⅜	−⅛
98¾	60	OcciP	pf15.50	16.		652	98⅞	98⅜	98⅜	+⅜
100⅛	85¾	Occi	pf14.62	15		25	94⅝	94⅛	94½	−⅛
26	16	ODECO	1	4.2	6	244	23¾	23⅜	23¾	+⅛
30⅝	17½	Ogden	1.80	6.7	9	168	27	26¾	26⅞	
15⅞	12⅞	OhioEd	1.80	12	8	744	14⅞	14½	14⅞	+⅛
31¼	24	OhEd	pf3.90	13.		z40	30½	28⅝	30½	
35½	27	OhEd	pf4.44	13.		z1000	35½	34	35½	+1½
34¾	18½	PhelpD				528	28¼	27½	27½	−⅛
72	21	PhibroS	.94	1.4	14	1622	70⅝	68	69½	+⅞
18	13	PhilaEl	2.12	12.	7	1089	17⅞	17¼	17⅞	+⅜
63	47½	PhlE	pf7.85	13.		z240	59¾	59¾	59¾	+1⅛
10⅞	9⅝	PhlE	pf1.28	13.		86	15½	16	10⅛	
126¼	96½	Phl	pf17	13	14.	z250	121½	121	121½	+¾
78	57⅞	PhlE	pf9.50	13.		z100	71	71	71	−⅛
16¾	8⅝	PhilSub	1.20	8.1	10	19	14⅞	14⅝	14⅞	+⅛
67⅞	44½	PhilMr	2.90	4.5	10	1605	65¼	64	64¼	−⅞
33⅞	13	Philnd	.56	1.8	13	159	31¼	31	31	−¼
36⅝	23½	PhilPet	2.20	6.7	8	4819	33⅞	32¾	33	−⅝
23⅞	12½	PhlVH	.60	2.6	7	50	21½	21¼	21½	+¼
39	22⅛	PiedNt	.28	.8	10	149	33⅞	33½	33½	−⅛
13⅝	5⅞	Pier1			28	51	12⅝	12½	12⅝	+⅛
59¼	36⅞	Pilsbry	2.48	4.3	10	761	58¼	57½	57⅞	+⅛
24½	12	Pioneer	1.16	5.8	12	858	20⅛	19⅞	35	+⅛
59⅝	27¼	PitnyB	1.84	3.1	14	186	59⅝	59¼	59⅝	
59½	27⅝	PitnB	pf2.12	8.6		4	58¼	58⅜	58⅜	
20⅛	11⅞	Pittstn	.20	1.6		591	13	13⅜	12⅞	+⅛
15⅞	5⅞	PlanRsc			13	168	15⅛	14⅝	14⅞	−⅛
27¼	15¼	Plantro	.13	.7	18	129	23½	23⅛	23⅛	+⅛
11¼	5½	Playboy				222	11⅛	10⅞	11	+⅛
114	54	Plessey	1.80e	2.3	15	14	80	79	79¾	+2¾
47⅞	13⅝	Pneum	s.80	1.7	13	82	46⅞	45¾	46⅞	+½
80	17	PogoPd	.60	3.8	10	313	20⅝	35	20⅛	−½
33⅞	16¼	Polarid	1	3.3	42	618	31⅛	30⅞	30⅞	
21¼	6⅝	Pondr	s.38	1.7	13	381	20	19⅝	19⅞	+⅛
22⅝	10½	PopTal	.80	3.6	31	34	22¼	22	22¼	+⅛
15⅝	9⅞	Portec	.80	5.5	45	15	14⅞	14½	14½	−⅛
16⅝	12⅛	PortGE	1.74	12.	5	298	15⅛	10	15⅛	
35⅛	20⅝	Waco	1.80	5.3	11	177	34⅜	34⅛	34⅛	−⅛
28⅞	11½	WolwW	.48	2.0	12	326	24¾	24¼	24⅞	+⅛
35	18½	Womtl	s.44	1.4	21	323	31⅛	30¼	31	
25¼	16¾	WoodPt	.60	2.7	11	259	28	22¼	22⅛	−⅝
34¾	15½	Wolwth	1.80	5.6		589	32½	32⅛	32¼	−¼
49	23¾	Wolw	pf2.20	4.8		1	45½	45½	45½	+½
5⅝	1½	WrldAr				35	4½	4⅛	4⅛	−⅛
47	29⅛	Wrigly	1.44a	3.2	10	7	45⅛	44⅛	44⅛	−¼
5⅝	2⅞	Wurlitz				10	5	5	5	
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Continued on Page 28

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

AUSTRIA

BELGIUM/LUXEMBOURG

DENMARK

FRANCE

GERMANY

ITALY

NETHERLANDS

NORWAY

SPAIN

SWEDEN

SWITZERLAND

AUSTRALIA

HONG KONG

JAPAN

SINGAPORE

SOUTH AFRICA

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 27

LONDON

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Thurs. close	Day's change
Lon. & Liv. Tst.	27	430	+8
Shell Trans.	20	470	+24
BAT Inds.	19	655	+25
Burmah Oil	19	175	+14
BP	17	340	+24
GEC	16	200	+1
BICC	14	233	+10
Bowater	14	170	+7
Lucas Inds.	14	158	−6
Exco Intnl.	13	685	—
Glaxo	13	820	+10
Intervision	13	180	—
Turner & Newall	12	38	+8
Unilever	12	840	−5

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Acrow	48	—
Arlen Elect.	273	−15
BTR	432	−22
Bio-Isolates	245	+5
Brit. Printing	96	−12
Impala Plat.	700	+15
Johnson Cleaners	348	+8
London & L'pool	418	−14
Low & Bonar	90	+4
RTZ	517	+12
Trident TV A	95	−6½
Vaal Reefs	£71⅝	+3⅜

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (59)

FOREIGN BONDS (1)
Ireland 7½pc '81-83

BUILDINGS (5)
Countryside; Miller (S.); Newood Williams; Sindall (Wm.); Lovell (Y. J.)

CHEMICALS (1)
Hoechst Fin. 10pc Uns. Ln.

STORES (4)
De Brett (Andre); House of Lerose; Hepworth (J.); Ladies Pride

ELECTRICALS (2)
Murray Tech.; Pressac

ENGINEERING (7)
A.P.V.; Garton Eng.; Ash & Lacy; Spirax-Sarco; Cartwright (R.); Tace; Concentric

FOODS (2)
Pyke Hldgs.; Watson & Philip

INDUSTRIALS (11)
Austin (E.); Shiloh; Centreway Ind.; Sidlaw; Consultants; Siebe Gorman; Johnson Cleaners; Tilling (T.); Nu-Swift; Whatman Reeve Ang.; Pitney Bowes Ln.

LEISURE (2)
Norton & Wright; Radio City A N-V

MOTORS (2)
Arlington Motor; Lex Service

NEWSPAPERS (3)
Collins (Wm.); Assoc. Book; Do. A

TEXTILES (1)
Dawson Int.

TRUSTS (4)
Brit. Ind. Gen. Dfd.; U.S. Deb. Corp.; General Funds; Ind. Fin. & Inv.

OIL & GAS (5)
Burmah; Royal Dutch; Charterhouse Pet.; Shell Transport; Petrofina

OVERSEAS TRADERS (1)
Great Northern

PLANTATIONS (2)
Cons. Plants.; Kuala Kepong

MINES (6)
Anglovaal; Lydenburg; De Beers Dfd.; Rustenburg Plat.; Impala Plat.; Kamunting

NEW LOWS (9)

BUILDINGS (1)
AMEC

ELECTRICALS (2)
Breville Europe; Dreamland

ENGINEERING (1)
Brotherhood (P.)

INDUSTRIALS (2)
Dyson (J. & J.); Rockware

TRUSTS (1)
Leda Inv. Inc.

OIL & GAS (2)
Dorset Res.; Edinburgh Secs.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

FIXED INTEREST

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RISES AND FALLS

	Rises	Falls	Same
British Funds	68	4	26
Corpns. Dom. and Foreign Bonds	16	3	60
Industrials	193	327	813
Financial and Props.	50	177	293
Oils	37	20	53
Plantations	8	3	13
Mines	73	20	60
Others	24	36	45

FINANCIAL TIMES STOCK INDICES

	April 5	Mar. 31	Mar. 30	Mar. 29	Mar. 28	Mar. 25	year ago
Government Secs.	80.97	80.82	80.50	79.95	79.21	80.65	69.34
Fixed Interest	82.89	82.74	82.55	82.29	82.32	82.75	69.74
Industrial Ord.	654.0	655.1	651.0	652.1	655.5	656.2	671.0
Gold Mines	582.6	559.7	546.1	531.5	538.1	537.2	257.4
Ord. Div. Yield	4.88	4.88	4.21	4.89	4.85	4.86	6.50
Earnings, Yld.% (full)	10.13	10.13	10.35	10.31	10.24	10.25	10.98
P/E Ratio (net) (*)	11.95	11.94	11.87	11.71	11.80	11.78	11.46
Total bargains	26,305	25,286	24,407	24,715	25,127	23,053	25,018
Equity turnover £m.	—	204.91	342.94	187.60	187.10	276.84	170.8
Equity bargains	—	24,395	23,306	22,257	22,053	12,537	23,088
Shares traded (ml)	—	141.4	182.7	160.0	120.5	169.5	151.2

10 am 655.7. 11 am 654.5. Noon 653.7. 1 pm 653.8. 2 pm 653.3. 3 pm 654.0.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/58. SE Activity 1974.

Nil = 11.18.

Latest Index 01-248 8026.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.84 (3/11)	61.89 (5/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.72 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	675.6 (15/3/83)	518.1 (5/1/82)	675.6 (15/3/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	181.2 (22/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 31	Mar. 30
—Daily Gilt Edged Bargains	181.1	179.0
Equities Bargains	158.1	151.0
Value	414.2	695.2
5-day Avrge. Gilt-Edged Bargains	186.6	188.9
Equities Bargains	144.5	138.0
Value	464.8	491.2

LONDON RECENT ISSUES

Indices

NEW YORK DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

RISES AND FALLS

MONTREAL

TORONTO Composite

U.S. INDICES: 2.30 PM VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

NEW YORK PRICES

Continued from Page 27

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15⅛	4½	WyleLb				111	14	13⅝	13⅞	−⅛
13¼	7⅝	Wyly			37	228	13	12¾	12⅞	−⅛
18½	11⅞	Wynns	.60	3.8		98	16	15½	16	+⅛

X—Y—Z

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
43	27⅞	Xerox	3	7.3	8	1755	41⅞	41	41⅛	−⅞
51⅛	49⅝	Xerox	pf5.45	11		314	50⅝	50⅛	50⅜	
25	10⅝	XTRA		2.7	28	58	24¼	23¾	24	+⅛
25¾	17¼	ZaleCp	1.26	5.1	34	143	24⅞	24½	24⅞	+⅝
21⅞	11⅝	Zapata	.84	5.3	3	1219	16⅛	15⅝	15¾	+⅛

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COMMODITIES AND AGRICULTURE

Producers give neighbourly welcome to new tin association

Wong Sulong writes from Kuala Lumpur

THE ASSOCIATION of Tin Producing Countries (ATPC), formed by seven tin producers at a meeting in London last week, will be an organisation that will be "fully equipped with the necessary institutional and financial provisions" to protect interests of producers, Datuk Paul Leong, Malaysia's Minister of Primary Industries, said in Kuala Lumpur yesterday.

Datuk Leong was visibly satisfied with the outcome of the meeting. "We got what we want—an association that will be an effective backup to the International Tin Agreement."

The agreement to set up the ATPC was a compromise between the world's top two tin producers—and neighbours — Malaysia and Indonesia.

The formation of the ATPC was a Malaysian initiative, not viewed with enthusiasm by Indonesia, which normally, because of its size and historical background, takes the lead in South-east Asian affairs.

Datuk Leong admitted that in the earlier stages of discussions, there were "fundamental differences" between the two countries.

Malaysia, angered by what it considered to be "sabotage" by the United States' continual sale of stockpile tin in an already depressed market, and frustrated by a very costly attempt to push up prices through manipulation on the London Metal Exchange, was pushing for an ATPC that would be strong enough to counter any U.S. action.

This would include powers for the ATPC to impose export controls and operate a bufferstock.

Indonesia felt Malaysia was getting too emotional over the GSA stockpile sales, and was worried that Malaysia would dominate the proposed ATPC.

Consequently, it wanted ATPC decisions to be based on one-country-one-vote, and the ATPC should not duplicate the work of the International Tin Council, meaning it should not operate a bufferstock or export control.

Indonesian fears of Malaysian domination were allayed when it was pointed out that while Malaysia currently accounts for 30 per cent of world's tin exports, its production is declining, while that of Indonesia is expanding. By the 1990's, Indonesia is expected to assume its former role as number one producer.

Malaysia also gave an assurance that it has no intention of turning the ATPC into a cartel, like OPEC. It agreed that the ATPC would be a mechanism of last resort, meaning it would act only in situations where the tin market is collapsing, and when the ITC is unable to check prices from plunging down.

What emerged from London is an ATPC that will have powers to intervene in the market in times of crisis, but such powers are not specifically spelt out in the agreement. The council of ministers, the supreme body of the association, will decide on what actions needed to be taken.

"It does not necessarily need bufferstock operations or export controls," says a senior Malaysian official. "The council of ministers can decide on production control, which is more effective than export control because the tin stays under the ground."

Instead of the one country-one vote proposal, the ATPC voting and financial contributions would be based on production levels, so that the respective percentages are: Malaysia (34.84), Indonesia (20.5), Thailand (18.39), Bolivia (16.1), Australia (7.51), Nigeria (1.39) and Zaire (1.37).

Other tin producers such as Brazil, China and Burma are invited to join, and the percentages would vary accordingly.

However, for the adoption of any resolution, a two-thirds majority is required so that in the final analysis, the proposed ATPC will be a South-east Asian-led organisation.

The association will take under its umbrella the producer-funded International Tin Research Institute but will operate independently of the ITC.

Labour accused of farm rates 'about-turn'

By Our Commodities Staff

THE LABOUR PARTY has been accused by the Country Landowners' Association of "an astonishing about-turn" in calling for farmers to pay rates on their land.

Its campaign document, New Hope for Britain, proposes an end to the de-rating of farm land, a proposal similar to one successfully resisted by Mr John Silkin, the last Labour Agriculture Minister.

"If it was a bad idea to rate agriculture when the Labour Party was in power, it is still a bad idea today," said Mr James Douglas, the CLA director-general.

● WEST GERMAN farm minister Ignaz Kiechle will visit EEC capitals in the next two weeks to discuss agricultural prices.

● COARSE GRAIN production is expected to drop worldwide this year, mainly because of reduced U.S. acreage. The FAO expects a harvest of 715-775m tons, down from 1982's record 806m tons.

● THE ARGENTINE grain barge Alianza G-2, grounded in the Parana River last month, has been refloated.

● CHICAGO Mercantile Exchange will become the first futures market to use television advertising. The commercials, starting on April 15, will be shown before or after financial programmes.

● COFFEE prices fell sharply as the strength of sterling accelerated a continued shake-out following the sharp rise early last week. The July position on the London futures market ended £62.50 down at £1,659.50 a tonne.

● PAKISTAN is to receive a $50m (£33.7m) loan from the International Fund for Agriculture Development to distribute to small farmers.

Groundnuts harvest should help Senegal

Peter Blackburn reports from Abidjan

FORECASTS of a further improvement in the 1982-83 groundnut crop (Nov-Oct) will stimulate the recovery of the Senegalese economy from its worst recession since independence from France in 1960.

The groundnut industry forecasts that the marketable crop will be 15 per cent up on this season's 620,000 tonnes. This compares with the catastrophic 1980-81 crop when only 60,000 tonnes was purchased by the refineries and the 1975-76 record of 1.1m tonnes.

Groundnuts are the backbone of the Senegalese economy. The sharp improvement in this season's crop is largely responsible for an estimated 12 per cent real GDP growth in 1982. This follows a 17 per cent decline in GDP between 1978-81 after drought had ravaged three successive crops.

In good years, exports of groundnut cake and oil yield over half Senegal's export earnings. But as a result of the drought these sank to $25m in 1981 compared with $120m in 1979. The EEC provided $34.5m through its Stabex scheme to compensate for export earning losses in 1981.

Nearly half the cultivated land area of 2.5m hectares is covered with groundnuts — Senegal is Africa's largest producer inspite of efforts to diversify they will remain by far the most important crop for some time to come but although groundnuts are the best suited to the country's arid soil and climate they are still vulnerable to pest, disease and unpredictable rainfall.

Inspite of the improvement in this year's crop, the two state controlled oil refineries, Sonacos and Seib, will continue to operate well below capacity. The two companies own four refineries with an overall capacity of 900,000 tonnes a year. This includes Sonacos' 300,000 tonne Lesieur refinery in Dakar—the world's largest.

Although export volume has grown substantiallyq in 1980-81, earnings have not risen proportionately. Groundnut oil prices fell to $475 a tonne in November 1982 from an average $1,111 in the 1980-81 season. This is the lowest level in dollar terms for ten years, according to industry sources.

The government has raised producer prices 40 per cent between 1980-82 and wiped out $55m of farmers' debts.

France remains by far the largest market, taking 80 per cent of ground nut oil exports. Groundnut cake exports have been badly aected by aflatoxin disease which led to the progressive closing of the main European markets, including France and the UK. Exports in 1981-82 totalled less than half the 1975-76 figure of 350,000 tonnes.

Although rainfall is beyond its control, the Government has acted to improve the commercial network.

Fertilisers are now marketed directly by the producer but the new system of cash payments has led to a sharp decrease in consumption by farmers this year, aggravated by distribution difficulties. The Government also doubled fertiliser prices though they remain less than half the real market price.

While the domestic situation is improving, the international markets give little cause for optimism. In spite of the development of fishing, tourism and phosphates the Senegalese economy will still be dangerously dependent on unpredictable groundnut crops.

Cocoa dealers reduce supply deficit forecast

BY JOHN EDWARDS, COMMODITIES EDITOR

LONDON COCOA dealers Gill and Duffus have sharply reduced their forecast of a supply deficit for the 1982-83 season to 54,000 tonnes, in the latest market report, out today.

In the previous report, in early February, the company estimated world production would fall short of consumption by 78,000 tonnes—the first deficit for five years.

But the latest report narrows the gap between production and consumption considerably and suggestion there is an even chance of a surplus emerging by the end of the season.

Expected world production is lifted to 1,555,000 tonnes against the previous estimate of 1,539,000 tonnes. This is mainly because of improved prospects for the Brazilian crop now put out at 295,000 tonnes compared with the previous estimate of 270,000 tonnes.

However, the report is more concerned with a lower than expected rise in demand. Seasonal grindings are forecast at 1,593,000 tonnes whereas the February report prediction was 1,602,000 tonnes.

It is thought that the disappointing increase in grindings, particularly in Western Europe, may be the result of a build-up in cocoa butter stocks.

The report concludes that without further news of major crop difficulties a sustained renewal of the upward trend in prices is unlikely. It adds that at present it seems losses from brush fires and drought in West Africa have been slight.

Lead stocks reach record 160,450 tonnes

By Our Commodities Editor

Lead stocks held in London Metal Exchange warehouses jumped by 12,650 tonnes last week to a record total of 160,450 tonnes. There was reported to be an inflow of surplus lead from the U.S.

Cash lead lost £4 to £307.75 a tonne, although the market had already largely discounted the stocks increase.

The rise in sterling was a generally depressing influence on London metal prices, but was offset to an extent by the sharp rise in gold and silver values.

Zinc stocks rose too by 3,075 to 93,675 tonnes; copper by 500 to 306,575; tin by 305 to 37,630; nickel by 636 to 12,706; and silver holdings by 540,000 to 34,648,000 ounces.

Subsidies blamed for poultry-meat mountain

BY RICHARD MOONEY

EEC EXPORT subsidies are responsible for an over-expansion in Community poultry-meat output which is creating yet another surplus mountain, according to a report by Agra Europe, the Brussels-based intelligence bulletin.

In its latest issue, Agra Europe says annual Common Market broiler production has grown by 26.6 per cent or 600,000 tonnes since 1977. But with the rise outstripping sluggish home demand more than two-thirds of the increase has had to be exported, at a growing cost to the taxpayer.

Producers are agitating for a "substantial increase" in subsidies which already amount to £139 on every tonne of poultry exported, it says.

It blames the need for such high subsidies on the inflated cost of cereal feed, which costs 60 per cent more in the EEC than in the rest of the world. Without the subsidies, the excessive production growth would not have occurred, it says.

But even with the subsidies, EEC exporters are now finding it hard to compete against cut-priced competition from Brazil and the U.S. in the crucial Middle East market, where the appetite for imported poultry-meat has been hit by depleted oil revenues.

The report criticises over-reliance on this market, particularly in France, where the main output expansion has taken place.

PRICE CHANGES

In tonnes unless stated otherwise	Apr. 5 1983	+ or —	Month ago		Apr. 5 1983	+ or —	Month ago
Metals				Oils			
Aluminium	£810/815	......	£810/815	Coconut (Phil)	$548.5v	......	$480
Free Mkt	$1480/1580	......	$1510 540	Groundnut	$490w	+15	$442.5
Copper				Linseed Crude	£	......	£515
Cash h grade	£1106	+1.25	£1093.5	Palm Malayan	$408.5z	+7.5	$372.5
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

LONDON OIL

SPOT PRICES

CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.10-28.25	+0.12
Iranian Light	26.50-27.00	+0.55
Arabian Heavy	25.95-26.10	+0.02
North Sea (Forties)	28.50-28.58	+0.18
North Sea (Brent)	28.50	+0.25
African(Bonny Lt'ht)	28.50-28.75	+0.22

PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	289-294	+4.5
Gas oil	235-244	+4.0
Heavy fuel oil	155-162	+1.8

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
April	242.00	+7.75	242.00-37.50
May	241.25	+7.50	241.25-37.00
June	239.50	+7.75	239.50-36.00
July	236.00	+7.00	238.00-34.75
Aug	239.75	+6.75	239.75-37.50
Sept	242.25	+6.75	242.00-39.39
Oct	244.00	+6.00	245.00-42.00
Nov	245.50	+4.75	244.50-44.00
Dec	249.00	......	—

Turnover: 2,871 (2,258) lots of 100 tonnes.

GOLD MARKETS

Gold rose $15½ an ounce from Thursday's close in the London bullion market yesterday to finish at $429¾-430¼. It opened at $425-426, reflecting a firmer trend in New York on Monday but eased initially to a low of $423-424. It recovered during the afternoon after the opening of New York and touched a high after the afternoon fixing of $430¾-431¼ before easing back slightly towards the close.

In Frankfurt the 12½ kilo bar was fixed at DM 33,255 per kilo ($428.03 per ounce) against DM 32,380 ($414.98) previously and closed at $428¾-429¾ from $414-415 on Thursday.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $424.50, against $413.50 last Thursday.

In Paris the 12½ kilo bar was fixed at FFr 100,000 per kilo ($428.60 per ounce) in the afternoon compared with FFr 99,500 ($427.00) in the morning and FFr 97,800 ($418.44) on Thursday afternoon.

In Zurich gold finished at $427-428 from $413-416.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
April	428.50-31.0	+14.70	429.50-23.5
May	433.20-34.0	+16.95	427.00
June	437.10-37.5	+15.50	437.50-29.5
July	439.70-40.4	+15.90	—
August	443.50-43.8	+15.05	443.50
Sept	446.50-47.0	+15.95	—
Oct	449.00-51.0	+15.45	—

Turnover: 148 (759) lots of 100 tonnes.

	April 5		March 31	
Gold Bullion (fine ounce)				
Close	$429¾-430¼	(£295¼-295¾)	$414-415	(£279-279¾)
Opening	$425-426	(£295¼-296)	$414-415	(£282-282¾)
Morning fixing	$425.35	(£294.503)	$414.25	(£280.372)
Afternoon fixing	$426.75	(£294.995)	$414.75	(£279.633)

Gold Coins Apr. 5

[illegible]

EUROPEAN MARKETS

[illegible]

BRITISH COMMODITY MARKETS

BASE METALS

Currency fluctuations dominated trading in base-metals on the London Metal Exchange. The sharp rise in sterling against the dollar restrained Copper values with forward metal easing back to close at £1,134.5; in late inter-office trading the price declined further to around £1,128. Lead dipped to £319, unsettled by the [illegible]

COPPER

[illegible]

TIN

[illegible]

LEAD

[illegible]

ZINC

[illegible]

ALUMINIUM

[illegible]

NICKEL

[illegible]

16, 05. Kerbs: Three months £3,420, 30, 70, 50, 40, 30, 40. Turnover: 2,082 tonnes.

SILVER

LME—Turnover 84 (84) lots of 10,000 ozs. Morning: Three months 748.5, 49.0, Kerb: three months 749.0, Afternoon: cash 742.0; three months 757.5, 57.0, 59.0, 58.0, 58.5, 60.0, 61.0. Kerb: three months 760.5, 60.0, 60.5, [illegible]

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

WOOL FUTURES

[illegible]

608.5, 608.0, 605.0; May 615.0, 618.0, untraded; July 625.0, 630.0, 630.0; Oct 620.0, 630.0, untraded. Sales: 64.

POTATOES

April and May opened easier, but April attracted buyers while May traded in a narrow range, closing just off the low, reports Coley and Harper.

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

COTTON

[illegible]

MEAT/FISH

[illegible]

116.0, medium (new season) 106.5 to 111.0, heavy (new season) 100.0 to 104.8; Imported: New Zealand PL (new season) 82.3 to 83.3. Sheep—English 80.0 to 100.0; Scottish 80.0 to 96.0. Pork: English under 100 lb 21.0 to 50.0, 100-120 lb 41.5 to 49.0, 120-160 lb 36.5 to 46.0.

GRIMSBY FISH — Supply good, demand good. Prices at ship's side (unprocessed) per stone: [illegible]

INDICES

FINANCIAL TIMES

[illegible]

REUTERS

[illegible]

MOODY'S

[illegible]

DOW JONES

[illegible]

AMERICAN MARKETS

NEW YORK

BECAUSE of the present time difference between the U.S. and Europe, this edition carries American market prices a day late. Normal service will be restored on April 25.

COCOA 10 tonnes; $/tonnes

	Close	High	Low	Prev
May	1729	1732	1708	1704
July	1768	1770	1747	1743
Sept	1800	1800	1780	1775
Dec	1832	1832	1817	1814
Mar	1853	—	—	1835
May	1875	—	—	1857
July	1896	—	—	1878

COFFEE "C" 37,000 lbs; cents/lbs

	Close	High	Low	Prev
May	123.10	123.60	123.00	123.23
July	122.78	122.85	122.25	122.25
Sept	122.32	122.40	122.10	122.30
Dec	121.22	121.75	121.00	121.45
Mar	117.85	—	—	118.00
May	114.75	114.50	113.00	115.13
July	113.63	—	—	113.88

COTTON 50,000 lbs; cents/lbs

	Close	High	Low	Prev
May	74.65	75.30	74.58	75.32
July	73.85	74.60	73.87	74.57
Oct.	72.30	72.80	72.25	72.67
Dec.	71.77	72.10	71.60	72.00
March	73.10	73.20	73.00	73.30
May	73.00	74.10	74.10	73.80
July	74.60	—	—	74.85

COPPER 25,000 lbs; cents/lbs

	Close	High	Low	Prev
April	74.85	—	—	74.60
May	75.50	76.80	75.25	75.15
June	79.25	—	—	75.80
July	77.05	77.40	78.75	78.85
Sept.	78.50	78.95	78.15	78.10
Dec.	80.25	80.00	80.05	79.85
Jan.	80.90	81.10	81.10	80.40
March	81.85	82.40	81.70	81.56
May	83.05	0	0	82.60
July	84.10	84.60	83.80	83.65

GOLD 100 troy oz; $/troy oz

	Close	High	Low	Prev
April	427.5	429.0	417.0	415.9
May	430.3	—	—	418.8
June	433.5	434.5	422.5	422.0
Aug.	440.2	440.5	430.0	428.5
Oct.	447.1	447.5	438.4	435.4
Dec.	454.3	451.5	444.5	442.4
Feb.	461.7	456.5	455.0	449.6
April	469.0	465.5	465.5	456.8
June	476.4	—	—	464.1

HEATING OIL 42,000 U.S. gallons; cents/U.S. gallons

	Close	High	Low	Prev
May	76.03	79.20	74.85	74.96
June	75.81	75.95	74.75	74.49
July	75.80	75.95	74.70	74.49
Aug.	76.40	78.50	75.35	74.93
Sept.	77.00	77.25	76.35	75.94
Oct.	77.75	77.30	77.20	76.75
Nov.	76.20	—	—	77.10
Dec.	79.30	79.00	78.50	77.80
Jan.	79.50	79.50	78.50	—

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	High	Low	Prev
May	116.10	115.20	114.80	114.70
July	114.00	114.25	113.95	113.80
Sept.	113.00	113.10	112.70	112.80
Nov.	108.60	108.75	108.75	108.40
Jan.	104.60	104.75	104.80	104.50
March	104.80	104.75	104.75	104.60
May	104.80	104.95	104.95	104.80
July	105.05	—	—	104.80
Sept.	105.05	—	—	—

SPOT PRICES—Chicago loose lard 16.50 cents per pound. Handy and Harman silver bullion 1080.00 (1063.00) cents per troy ounce. New York tin 635.00-638.00 (632.00-635.00) cents per pound.

PLATINUM 50 troy oz; $/troy oz

	Close	High	Low	Prev
April	404.2	404.0	393.0	392.5
July	413.2	415.0	402.5	401.9
Oct	420.2	420.0	410.0	408.9
Jan	428.7	419.5	416.0	417.1
April	437.2	—	—	425.5

SILVER 5,000 troy oz; cents/troy oz

	Close	High	Low	Prev
April	1,098.5	1,093.0	1,077.0	1,068.2
May	1,104.0	1,108.0	1,080.0	1,075.0
June	1,113.8	1,105.0	1,100.8	1,084.0
July	1,127.9	1,128.0	1,097.0	1,093.0
Sept	1,140.2	1,146.0	1,117.0	1,111.0
Dec	1,168.2	1,166.0	1,144.0	1,138.2
Jan	1,177.4	—	—	1,147.4
March	1,195.9	1,182.0	1,175.0	1,165.9
May	1,214.4	1,211.0	1,195.0	1,184.4
July	1,232.9	1,210.0	1,210.0	1,202.6

SUGAR WORLD "11" 112,000 lb; cents/lb

	Close	High	Low	Prev
May	7.23	7.25	7.09	7.09
July	7.54	7.55	7.44	7.44
Sept	7.88	7.89	7.78	7.81
Oct	8.18	8.20	9.02	8.04
March	5.16	9.17	8.99	9.00
May	9.40	9.40	9.27	9.23
July	5.61	9.80	9.50	9.41

CHICAGO

MAIZE 5,000 bu min; cents/56 lb-bushel

	Close	High	Low	Prev
May	316-2	317-2	315-0	312-6
July	321-0	322-0	318-4	317-0
Sept	311-0	313-2	308-6	308-6
Dec	303-4	306-0	302-4	302-4
March	311-4	314-0	311-0	311-0
May	318-0	320-6	317-0	317-0
July	323-0	326-2	323-0	323-0

SOYABEANS 5,000 bu min; cents/60 lb-bushel

	Close	High	Low	Prev
May	643-0	647-0	639-0	637-0
July	660-0	664-0	656-0	653-4
Aug	666-2	670-0	663-0	659-4
Sept	672-2	677-0	669-4	667-4
Nov	686-6	690-0	681-0	679-6
Jan	698-6	702-0	694-4	691-2
March	712-0	714-0	706-4	704-0
May	722-4	724-0	721-0	714-0
July	632-4	734-4	732-4	724-0

SOYABEAN MEAL 100 tons; $/ton

	Close	High	Low	Prev
May	190.7	191.9	180.5	189.7
July	195.6	196.5	195.0	194.5
Aug	197.9	198.7	197.3	196.8
Sept	200.2	201.5	200.0	198.9
Oct	202.4	203.3	201.5	201.0
Dec	207.4	208.3	206.4	205.9
Jan	209.4	210.5	209.0	207.5
March	214.0	214.0	213.0	211.0
May	217.5	—	—	215.2
July	732-4	734-4	732-4	724-0

SOYABEAN OIL 60,000 lb; cents/lb

	Close	High	Low	Prev
May	18.79	19.08	18.80	18.56
July	19.20	19.80	19.00	19.07
Aug	19.41	19.64	19.20	19.10
Sept	19.55	19.80	19.35	19.20
Oct	19.80	20.00	19.45	19.25
Dec	20.00	20.40	19.97	19.87
Jan	20.20	20.80	20.20	20.20
March	20.55	20.90	20.55	20.55

WHEAT 5,000 bu min; cents/60 lb bushel

	Close	High	Low	Prev
May	362-2	364-5	361-4	360-2
July	370-2	373-0	368-6	368-4
Sept	378-2	380-6	377-0	376-4
Dec	391-0	393-6	390-4	389-4
March	402-0	400-4	400-4	400-4
May	408-4	411-0	408-4	407-4

Aberdeen soccer deal

ABERDEEN Football Club has signed a £20,000 sponsorship agreement with Hydrasun, a locally-based company supplying hose products to offshore and onshore industries.

The deal is for tracksuit advertising linked with promotional facilities and the agreement will run until the end of the 1983/84 football season.

The sponsorship, negotiated by the club's commercial consultants, Sports Projects, begins on April 6.

e.70, closed 0.60-0.80. Lettuce: per tray 1.20-2.00. Onions: per 55-lb 1.80-5.00. Cabbages: per 25-lb 1.00-1.80; per 28/30-lb white/red 1.50-2.40. Greens: 28-lb, Kent 1.80-2.50; Cornish approx. 35-lb 3.50-4.00. Brussels Tops: per 28-lb 1.00-2.00. Carrots: per 28/28-lb 1.80-2.20. Swedes: per 28-lb 0.80-1.20. Parsnips: per 28-lb 1.80-2.20. Leeks: per 10-lb 2.00-2.20. Cauliflowers: Kent, 12's 3.00-5.00. Rhubarb: per lb outdoor e.20. Cucumbers: 3.00-4.00. Tomatoes: hothouse, per lb 0.35-0.75.

Chips stay top of food pops

FISH, chips and peas, then ice cream and coffee is the most popular lunch in Britain, according to a Gallup survey for the weekly magazine Caterer and Hotelkeeper. Prawn cocktail, steak and gateau remain the favourite evening meal.

The survey, published today, shows that meat pies have made a comeback in the last year, displacing hamburgers and mixed grills. Tomato soup has been ousted from its traditional top spot by minestrone and vegetable.

Salads are becoming more popular, both as starters and main courses. More than half of all diners skip a first course.

Both Scots and Welsh favour curries more than other regions. In London chili con carne features on 20 per cent of menus.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked & Variable Rate

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

LOANS—Continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
197	158	[illegible]	176		u4.0	1.8	3.3	24.4
228	145	Jackson-Bourne	185	+5	5.0	3.1	3.9	12.0
32	19	James Inds. 10p	26		1.25	1.9	6.9	10.9
180	105	[illegible]	142	–1	080c	♦	5.9	♦
48	13	Jenks & Cattell	30	+1	Z1.0	—	4.8	—
350	187	Johnson Clrs.	348	+8	10.8	♦	4.5	♦
340	227	Johnson Mthy. £1	325		10.0	1.9	4.4	(14.2)
287	98	Johnson Grp. 10p	286	–1	4.0	6.2	2.0	11.4
102	64	Jourdan (T.) 10p	100xd		5.6	♦	0.0	♦
48	35	Kalamazoo 10p	47		2.5	0.9	7.8	20.4
212	135	Kelsey Inds.	200	–10	8.0	1.7	5.7	13.8
310	110	Kershaw (A.) 5p	110		15.0	0.6	19.5	(5.8)
55	36	Kleen-E-Ze Hldgs.	53		t3.0	0.2	8.1	—
66½	42½	L.C.P. Hlds.	61		3.6	0.6	0.4	(35.7)
122	39½	L.R.C. Int. 10p	121		t5.1	2.0	3.7	20.4
26	16	Lamont Hldgs. 10p	22½		1.2	1.8	0.0	(8.1)
46	26	Lawtex	37		—	—	—	—
440	277	Lep Group 10p	395		17.5	1.7	6.5	(11.9)
37	22	Lilleshall 10p	27		t2.5	—	‡	—
700	39	Lon. & Liv. 10p	416	–14	†2.45	2.4	0.8	60.6
117	78	London & Mid'd	114	–1½	7.75	1.1	9.7	(13.6)
63	36	Lon. & Nthn. Grp.	60	–1	t3.75	2.7	0.9	6.4
43	23	Lon. Priv. Health	34		—	—	—	17.8
10	3½	Long Hambly. 10p	7½		8—	—	—	—
65	36	Longton Inds.	54		1.0	—	2.6	—
195	55	Low & Bonar 50p	90	+4	5.0	♦	8.2	♦
27½	14	M.Y. Dart. 10p	17		d1.21	—	‡	—
242	105	M'c'nly Ph. 20p	153		7.8	2.5	6.5	7.6
146	48	Macfarlane Gp.	145	–1	3.52	♦	3.5	♦
49	28	Maclellan 20p	45		d1.43	1.4	4.5	(18.0)

LEISURE—Continued

1982/83 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
18½	13	GRA Group 5p	15½		—	—	—	19.9
62	32	Grampian TV A 10p	49		12.25	[illegible]	9.5	4.0
172	107	HTV Non-Vtg.	149xd	–2	11.0	[illegible]	10.5	6.6
234	139	Horizon	165xd	–5	3.6	[illegible]	3.1	♦
151	90½	Intasun 10p	127	–1	3.5	[illegible]	3.9	6.5
182	112	LWT "A"	159		11.08	[illegible]	10.3	12.3
300	116	♦Leisure Inds.	295	–5	♦6.0	[illegible]	2.9	14.8
152	64	[illegible]	152		t1.54	♦	1.8	♦
132	80	[illegible]	108		0.75	[illegible]	11.6	7.8
67	54	[illegible]	57xd		t4.0	[illegible]	10.0	17.9
275	75	♦[illegible]	83	–2	—	—	—	—
100	35	Norgn & Wrt. 10p	100	+15	92.17	[illegible]	4.6	—
29	19	♦Owners Abroad	26	–1	0.5	♦	2.8	♦
65	41	Phonax (Lon.)	42		t3.5	3.8	‡	2.6
253	80	[illegible]	125	–3	bd1.5	2.1	1.7	38.9
570	149	Pleasurama 5p	570		7.5	4.5	1.9	17.0
163	88	[illegible]	163	+3	g5.6	1.6	4.9	17.7
175	82½	Riley Leisure 10p	165	–6	24.1	1.7	3.6	25.7
179	84	Saga Hols. 20p	96		t3.73	—	5.6	—
445	125	[illegible]	430		9412.0	2.8	4.1	14.8
107	76	Scott. TV 'A' 10p	99		t7.0	3.8	10.1	3.6
70	21	♦Select TV 10p	44	–3	—	—	—	—
18	13	TSW 5p	15½		0.9	5.5	0.3	5.2
53	28	[illegible]	33		—	—	—	—
104½	55	Tott'm TV 'A' 10p	95	–6½	♦4.26	1.4	6.4	16.3
215	92	[illegible]	155	+5	—	—	—	—
27½	15	Webb (Jos.) 5p	16		d0.51	0.3	4.6	—
[illegible]	69	Zetters 5p	80		2.75	2.9	9.9	10.1

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

Australians

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

OPTIONS

3-month Call Rates

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 27

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling continues to improve

Sterling rose to its best level since late February yesterday as the market reacted favourably to the recent BNOC announcement on North Sea oil prices. It rose above $1.50 against the dollar and was sharply firmer against most European currencies.

The dollar finished above the day's lows but down from Thursday's levels as uncertainty continued over U.S. interest rate trends.

STERLING — Trading range against the dollar in 1982-83 is 1.9265 to 1.4540. March average 1.4893 Trade weighted index 80.3 against 80.3 at noon and 79.7 at the opening and compared with 79.5 on Thursday and 91.8 six months ago. Sterling's initial reaction to the latest North Sea oil prices has been favourable and although still weak, it is less vulnerable. Some upward technical correction in sterling's value seems likely although this could be partly offset by declining UK interest rates.

Sterling opened at its lowest level against the dollar of $1.4880 and improved steadily to touch a high of $1.5050. It closed at $1.5020-1.5030, a rise of 1.9c. Early trading in New York saw it improve to $1.5075. Against the D-mark it rose to DM 3.64 from DM 3.6025 and Y357½ from Y354½, against the French franc it finished higher at FFr 10.9050 from FFr 10.7850 but was unchanged against a strong Swiss franc at SwFr 3.0925.

DOLLAR — Trade-weighted index (Bank of England) 122.4 against 124.8 six months ago. The dollar has shown renewed strength as a safe haven for funds during a time of extreme uncertainty over the effects of falling oil prices and upheaval within the EMS. U.S. interest rates have not fallen as once expected, partly because of the high level of Federal funding, while money supply growth and fears of a tightening of credit policies have kept the dollar firm.

The dollar closed at DM 2.4205 down from DM 2.4265 and Y237.70 from Y238.85. The Swiss franc strengthened in late trading, with the dollar finishing at SwFr 2.0570 against SwFr 2.0830. It was also lower against the French franc at FFr 7.26 compared with FFr 7.27.

D-MARK — Trading range against the dollar in 1982-83 is 2.4940 to 2.2410. March average 2.4102. Trade-weighted index 131.0 against 124.9 six months ago. German economic strength and low inflation compared with many of its neighbours have once again caused strains within the EMS. The latest realignment gives the D-mark room for further appreciation as it is currently placed at the bottom of the system.

Trading was rather quiet in Frankfurt yesterday and the dollar was fixed lower at DM 2.4170 compared with DM 2.4285 on Thursday without Bundesbank intervention. Sterling was higher at DM 3.63 from DM 3.5930, while within the EMS the French franc and Danish krone were both fixed at their ceiling levels. The Irish punt was trading just below its upper permitted level.

JAPANESE YEN — Trading range against the dollar in 1982-1983 is 277.35 to 219.00. March average 238.2. Trade-weighted index 145.4 against 125.7 six months ago. The yen's weaker performance against the dollar has been one of the major stumbling blocks in recent attempts by the market to persuade the authorities to cut the Japanese discount rate. Measures announced recently to stimulate the economy did not include a cut in the rate but a more stable yen would exert further pressure for a downward adjustment. Much will depend on movements in U.S. interest rates.

Trading was rather quiet in Tokyo yesterday. The dollar closed at Y238.60, down from Y238.90 in New York on Monday. The market was awaiting a clearer outlook on short term movements in U.S. interest rates.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 5	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.3662	44.6268	+0.59	+0.21	±1.5430
Danish Krone ...	0.04412	7.98338	−0.78	−1.14	±1.6419
German D-Mark	2.21515	2.24666	+1.42	+1.04	±1.0567
French Franc ...	6.79271	6.73792	−0.81	−1.19	±1.4018
Dutch Guilder ...	2.49587	2.53207	+1.45	+1.07	±1.4941
Irish Punt	0.71705	0.711739	−0.74	−1.10	±1.6696
Italian Lira	1386.78	1337.21	−0.57	−3.57	±4.1463

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Apr. 5	£	$		£ Note Rates
Argentina Peso..	100,951-101,151	67,620-67,670	Austria	25.35-25.65
Australia Dollar..	1.7365-1.7345	1.1550-1.1555	Belgium	73.18-74.00
Brazil Cruzeiro ..	635.77-630.77	423.08-426.10	Denmark	12.80-12.92
Finland Markka..	8.1010-8.2090	5.4075-5.4425	France	10.81-10.91
Greek Drachma..	123.059-126.162	83.75-83.90	Germany	3.60-3.64
Hong Kong Dollar	10.05-10.08	6.71-6.72	Italy	2160-2165

*Selling rates.

EXCHANGE CROSS RATES

Apr. 5	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.506	3.640	357.5	10.905	3.095	4.100	2164.	1.855	72.35
U.S. Dollar	0.666	1.	2.425	237.9	7.258	2.058	2.728	1440.	1.235	48.15
Deutschemark	0.275	0.416	1.	98.21	2.996	0.850	1.126	594.6	0.610	19.88
Japanese Yen 1,000	2.797	4.203	10.18	1000.	30.50	2.650	11.47	6055.	5.169	202.4
French Franc 10	0.917	1.378	3.332	327.8	10.	2.836	3.760	1984.	1.701	66.36
Swiss Franc	0.323	0.486	1.177	115.6	3.526	1.	1.326	699.2	0.600	23.40
Dutch Guilder	0.244	0.366	0.888	87.20	2.660	0.754	1.	527.2	0.452	17.65
Italian Lira 1,000	0.462	0.694	1.682	165.2	5.030	1.429	1.895	1000.	0.857	33.43
Canadian Dollar	0.539	0.810	1.962	192.7	5.870	1.667	2.210	1167.	1.	39.00
Belgian Franc 100	1.382	2.077	5.031	494.1	15.07	4.274	5.667	2991.	2.564	100.

FINANCIAL FUTURES

Short £ firmer

Short sterling prices rose steadily in the London Financial Futures Exchange yesterday in reaction to sterling's stronger performance. The pound's better levels reflected hopes that the latest BNOC oil price proposals would be good enough to avoid any conflict with Opec, and Nigeria in particular. While the mood of the market was undoubtedly improved, there appeared to be no headlong rush, suggesting some underlying caution. The June price opened at 90.00 up from 89.92 and rose to a best level of 90.15 before finishing at 90.13. The firmer trend was underpinned by a softer look to rates in the cash market.

Gilt prices moved in a similar fashion although the June price finished at 104-18 down from a high of 104-23 and an opening level of 104-20 but up 104-05 on Thursday. Volume was a little on the low side on the first day back after the long Easter break.

Euro-dollars were generally firmer with good commercial buying returning to the market. Values were taken higher after the opening of Chicago so that the June price finished at 90.40, up from an opening of 90.32 and Thursday's close of 90.28. While short term U.S. interest rates were quite firm as the market continued to recover from last week's technical demands, there appeared to be hopes of some downward adjustment later this week. However the market failed to show any clear concensus on the short term outlook for U.S. rates with continued nervousness caused by uncertainty as to the authorities' stance on monetary policy.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	90.40	90.43	90.29	90.28
Sept	90.19	90.19	90.10	90.07
Dec	90.02	90.02	89.94	89.92
March	89.97	—	—	89.91
June	—	—	—	—

Volume 1,218 (1,027).
Previous day's open int 3,376 (3,893).

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4224	0.4226	0.4219	0.4211
Sept	0.4260	0.4263	0.4255	0.4236
Dec	—	—	—	—

Volume 360 (12).
Previous day's open int 417 (420).

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	76-31	77-02	76-14	76-07
Sept	76-14	76-17	75-28	75-23
Dec	76-01	76-02	75-15	75-09
March	75-21	75-21	75-08	74-31
June	75-11	75-11	74-27	74-20
Sept	75-01	75-01	74-18	74-12
Dec	74-25	74-25	74-10	74-05
March	—	—	—	73-31

GNMA (CBT) 8% $100,000 32nds of 100% (continued)

	Latest	High	Low	Prev
Dec	68-13	68-16	68-07	67-27
March	67-23	67-23	67-18	67-09
June	67-12	67-14	67-02	66-23
Sept	66-24	66-24	66-21	66-08
Dec	66-15	66-15	66-05	65-27
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

MONEY MARKETS

UK rates ease on stronger pound

UK clearing bank base lending rate 10 per cent (since March 15 and 16)

UK interest rates were generally easier yesterday as the market reacted to sterling's stronger performance. This followed the recent revision in North Sea oil prices and hopes that an oil price war may be averted. Three-month interbank money finished at 10½ per cent after an earlier offered rate of 10⅝ per cent, down from 10 11/16 per cent on Thursday while three-month sterling CDs were lower at 10⅝-10 7/16 per cent compared with 10½-10⅝ per cent. Overnight interbank money opened at 10⅝-10⅞ per cent and eased at lunchtime to 10½ per cent Rates fell away in the afternoon to finish at 2 per cent.

The Bank forecast a shortage of around £500m with factors effecting the market including bills −£612m and Exchequer and a net take up of Treasury bills—£612m and Exchequer transactions −£390m. On the other hand banks brought forward balances some £200m above target and there was a fall in the note circulation of £190m. The Bank gave assistance in the morning of £505m, comprising purchases of £135m of eligible bank bills in band 1 (up to 14 days) at 10 7/16 per cent, £312m in band 2 (15-33 days) at 10½ per cent and £58m in band 3 (34-63 days) at 10⅜ per cent.

The forecast was later revised to a shortage of £550m before taking into account this morning's assistance and the Bank gave further help of £88m, making a grand total of £593m. The afternoon help comprised purchases of £16m of eligible bank bills in band 1 at 10 7/16 per cent, £10m in band 2 at 10½ per cent and £62m in band 4 (64-84 days) at 10¼ per cent.

In Brussels interest rates on short term Treasury bills were reduced by ½ of a point to 11.75 per cent for one, two and three-month bills. The National Bank also cut the rate on four month bond paper to 12 per cent from 12½ per cent. The move was made possible by the renewed stability of the Belgian franc following the recent realignment within the EMS.

In Amsterdam call money was reduced to 3.25 per cent from 3.75 per cent as short term funds were in good supply. This followed large Government disbursements reaching the market.

LONDON MONEY RATES

Apr. 5 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	0-10⅞	—	—	—	8¾-11	2-10⅝	—	—	—
2 days notice	—	—	10¾-10⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	11	—	—	—	—
7 days notice	—	10⅝-10⅞	10¾-10⅞	—	—	11⅝-	10½-10⅝	—	—	—
One month	10¾-10⅝	10⅝-10⅞	10¾	11⅝-11⅛	10⅝	11	10½-10⅝	10 9/16	10 9/16	11 1/16
Two months	10 11/16-10½	10 11/16-10 9/16	10⅛	11¼-11	10⅝	11	10¼-10⅜	10⅜-10 5/16	10 5/16	11 1/16
Three months	10⅝-10 7/16	10½-10¼	10½	11⅛-10⅞	10⅝	—	10⅛-10¼	10 5/16-10 3/16	10 3/16	10 15/16
Six months	10⅜-10 5/16	10 7/16-10⅛	10⅜	10⅝-10⅛	10 5/16	—	—	—	0 5/16-0 11/32	10 13/16
Nine months	10 7/16-10 5/16	10 5/16-10⅝	10⅛	10¾-10⅛	10 5/16	—	—	—	—	—
One year	10 5/16-10 3/16	10 5/16-10⅝	10⅛	10⅝-10⅝	10 5/16	—	—	—	—	—
Two years	—	—	10⅜	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period March 2 to April 6 1983 (inclusive) 10.974 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11⅛ per cent; four years 11¼ per cent; five years 11⅜ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rate for four months bank bills 10 5/16-10 7/32 per cent; four months trade bills 10 23/32 per cent.

Approximate selling rate for one month Treasury bills 10 7/16-10½ per cent; two months 10 9/32-10 9/16 per cent; and three months 10¼-10 9/32 per cent. Approximate selling rate for one month bank bills 10½ per cent; two months 10⅜ per cent and three months 10¼ per cent; trade bills 10 23/32 per cent; two months 10 23/32 per cent and three months 10 21/32 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11½ per cent from April 1, 1983. London and Scottish Clearing Bank Rates for lending 10 per cent. London Deposit Rates for sums at seven days' notice 7½ per cent.

Treasury Bills: Average tender rates of discount 10.2175 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 10¾ per cent; one-three months 10½ per cent; three-six months 10¼ per cent; six-12 months 10½ per cent. Under £100,000 10¼ per cent from April 6. Deposits held under Series 3-5 10½ per cent. The rates for all deposits withdrawn for cash 9 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Apr. 6	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	10½-10¾	10½-10 11/16	10 11/16-10 13/16	10 7/16-10 9/16	10¼-10⅜	10⅜-10⅛

FT LONDON INTERBANK FIXING

(11.00 a.m. APRIL 5)

3 months U.S. dollars		6 months U.S. dollars	
bid 0 11/16	offer 0 13/16	bid 0 15/16	offer 9 15/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK — Prime rate; Fed funds (lunch-time); Treasury bills (13-week); Treasury bills (26-week)

GERMANY · FRANCE · JAPAN · SWITZERLAND · NETHERLANDS

$ CERTIFICATES OF DEPOSIT · LONG TERM EURO $ · SDR LINKED DEPOSITS · ECU LINKED DEPOSITS

COMPANY NOTICES

CONTRACTS AND TENDERS

PUBLIC NOTICES

Authorised Units—continued

Insurances—continued

Offshore and Overseas—continued

LEGAL NOTICES

IN THE MATTER OF GROVENCE LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 31st day of May, 1983, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Brian Mills of 1 Wardrobe Place, Carter Lane, St. Pauls, London EC4V 5AJ, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 21st day of March, 1983.
BRIAN MILLS,
Liquidator.

MOTOR CARS

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